Government of Saskatchewan

Annual Statistical Report 1997-98

Saskatchewan Health

Drug Plan and Extended Benefits Branch

100-05009/

Preface

This document is a statistical supplement to the Annual Report of Saskatchewan Health for the fiscal year 1997-98. It contains statistical data concerning the programs administered by the Drug Plan and Extended Benefits Branch, including the Drug Plan, Supplementary Health Program, and Saskatchewan Aids to Independent Living.

Comments or questions concerning the material in this document may be addressed to:

Drug Plan and Extended Benefits Branch
Saskatchewan Health
3475 Albert Street
Regina, Saskatchewan
S4S 6X6

Contents

Mission Statement 2
Eligibility for Coverage 3
Highlights for 1997-98 4
The Drug Plan 6
- Background 6
- History of Deductibles 7
- Objectives 8
- Types of Drug Plan Coverage 9
- Drugs Covered by the Drug Plan 18
- Saskatchewan Formulary Process 19
- Encouraging Appropriate Drug Use 21
- Pharmacy Claims Processing 22
- Formulary and EDS Drug Utilization 1997-98 23
- 1997-98 Utilization Trends 37

Supplementary Health 42
- Background 42
- Objectives 43
- Eligible Beneficiaries 43

Saskatchewan Aids to Independent Living (SAIL) 51
- Background 51
- Eligible Beneficiaries 52
- Objectives 52

Tables and Figures

Figure 1 Prescriptions Dispensed by Age Groups, Eligible and Active Beneficiaries 23
Figure 2 Prescriptions Volume by Pharmacologic - Therapeutic Classification 32

Table 1 Prescription Use and Drug Plan Payment 8
Table 2 Prescription Drug Utilization by Age and Sex of Active Beneficiary 24
Table 3 Prescription Drug Utilization by Over/Under 65 26
Table 4 Prescription Cost to Families Approved Under Special Support Program 28
Table 5 Prescription Cost to Families Exempt from paying a Deductible 29
Table 6 Prescription Cost to Families Who First Paid Full Cost up to a Deductible 30
Table 7 Prescriptions by Pharmacologic - Therapeutic Classification 31
Table 8 Pharmacies by Location 33
Table 9 Pharmacies by Type of Ownership 33
Table 10 Drug Acquisition Cost by Manufacturer 34
Table 11 Prescription Drug Utilization Trend by Age of Active Beneficiary 38
Table 12 Prescription Trend by Pharmacologic - Therapeutic Classification 40
Table 13 Prescription Drug Plan Payments Summary 41
Table 14 Supplementary Health Program Payments 45
Table 15 Caseloads and SAIL Payments 52
Table 16 Special Needs Equipment Program 58
Table 17 Orthopaedic Services 58

Drug Plan & Extended Benefits Branch

The Drug Plan and Extended Benefits Branch was formed on April 1, 1996 by amalgamating the Drug Plan program, the Supplementary Health program, the Saskatchewan Aids to Independent Living program, and the Income testing for Special Care Homes.

MISSION STATEMENT

Drug Plan and Extended Benefits Branch provides benefits to the eligible Saskatchewan population by:

- promoting optimal, cost-effective drug therapy and extended benefits
- subsidizing qualifying residents and
- facilitating the use of the database

The following kinds of activities contribute to achieving the Mission:

- leading policy development on Drug Plan, SAIL and Supplementary Health related issues
- providing Drug Plan benefits to the eligible Saskatchewan population
- providing non-insured health benefits to residents nominated for Supplementary Health benefits by Saskatchewan Social Services
- providing Saskatchewan Aids to Independent Living (SAIL) Program benefits to eligible residents
- administering, on behalf of Health Districts, income tested resident charges for residents of Special Care Homes
- providing case management services in appropriate areas
- improving program delivery and accountability to the public and the Legislature through trends analysis and annual statistical reports
- providing funds for various initiatives that encourage appropriate use of drugs, e.g. Community Drug Utilization Program
- using the claims paid database for various studies to promote appropriate use of drugs

Eligibility for Coverage

Drug Plan

Eligible
All Saskatchewan residents with valid Saskatchewan Health coverage unless coverage is provided by another federal or provincial government or non-government agency.

Active beneficiaries
A resident of Saskatchewan who received an eligible prescription.

Not Eligible
Beneficiaries eligible under the Medical Services Division of Indian Health Canada, Department of Veteran Affairs, Royal Canadian Mounted Police, Canadian Forces, Worker's Compensation, and Federal Penitentiary.

Supplementary Health

Eligible
People nominated for coverage by Saskatchewan Social Services, inmates of correctional institutions, nominated seniors in special care homes or hospitals whose incomes are below the Saskatchewan Income Plan level, Family Income Plan and Saskatchewan Income Plan recipients living in the community.

Saskatchewan Aids to Independent Living (SAIL)

Eligible
People with long term disabilities or illnesses, which leave them unable to function fully, may receive specialized benefits to help them achieve more independent and active lifestyles.

Saskatchewan residents with valid Saskatchewan Health coverage.

Not Eligible
Beneficiaries eligible under departments or agencies of the Government of Canada, the Worker's Compensation Board, Saskatchewan Government Insurance, or are residents of general, rehabilitation or extended care hospitals.

Highlights for 1997-98

Drug Plan

- One in every four families that received a prescription received a financial benefit.

- At June 30, 1997, a total of 936,947 individuals, representing 499,997 family units were eligible to receive Drug Plan benefits.

- A total of 620,258 individual beneficiaries representing 407,001 family units, purchased eligible prescriptions. This represents 66.2% of eligible individuals.

- Tendering of certain high volume interchangeable drug groups helped to keep Formulary drug prices low. Estimated savings for Saskatchewan residents and the Drug Plan in 1997-98 were approximately $5.0M.

- Terminally ill patients covered under the Palliative Care Program received 50,426 prescriptions at no charge. The Drug Plan payment for Palliative Care was $2.3 million.

- **The Special Support Program:**
  - helped 36,298 families (65% were senior families)
  - provided benefits in the amount of $31.3 million
  - dispensed an average of 31.1 prescriptions to each active beneficiary
  - dispensed an average of 45.6 prescriptions to each family unit
  - assisted on average 61.0% of the total prescription costs.

- **Active beneficiaries not subject to a deductible:**
  - helped 44,811 families
  - provided benefits of $25.7 million
  - dispensed an average of 11.8 prescriptions to each active beneficiary
  - dispensed an average of 16.6 prescriptions to each family unit
  - assisted on average 97.8% of the total prescription costs.

- **Active beneficiaries who are subject to a deductible and a co-payment:**
  - provided benefits of $8.2 million
  - dispensed an average of 7.7 prescriptions to each active beneficiary
  - dispensed an average of 11.9 prescriptions to each family unit
  - assisted on average 8.8% of the total prescription costs.

- **Drug claims processed for Formulary and Exception Drug Status drugs:**
  - processed 6.3 million prescriptions during April 1/97 to March 31/98
  - provided benefits in the amount of $65.2 million
  - average drug acquisition cost per prescription was $19.18
  - average mark-up paid to pharmacies was $2.20
  - average dispensing fee paid to pharmacies was $5.96.

- In October 1997, implemented a Managed Care Fee for community-based pharmacies that provide monitoring, supervision and other required activities to administer the Methadone Program.

- In December 1997, the Minister of Health appointed the Task Force on High Cost Drugs to review:
  - What improvements might be appropriate to the way government evaluates new pharmaceuticals, including bringing greater transparency to the process.
  - The implications of providing new drugs on the scope of the Saskatchewan Prescription Drug Plan.
  - What action Saskatchewan should take in the months to come at the federal, provincial and territorial level, including approaches to a National Pharmacare Program.

Supplementary Health

- The average number of eligible beneficiaries under the program was 70,622.

- Net payments for the program were $11.1 million during the fiscal 12-month period.

- Program expenditures per beneficiary rose from $154.75 in 1996-97 to $156.61 in 1997-98. These figures do not include northern medical transportation (covered by the Northern Health Services Branch) or Formulary Drugs (covered by the Drug Plan).

Saskatchewan Aids to Independent Living (SAIL)

- The number of caseloads was 7,244 in 1997-98, a reduction of 194 from the previous year.

- Net payments during the 12-month period were $1.6 million for Orthopaedic services and $2.7 million for Special Needs Equipment.

- The SAIL Oxygen program was changed in 1996-97 to provide benefits according to medical criteria. The program cost in 1997-98 was $6.5 million compared to $8.9 million in 1995-96.

- Net payments for approved beneficiaries were $4.3 million for non-formulary drugs and $0.5 million for ostomy supplies in the fiscal 12-month period.

- A total 4,198 orthopaedic issues were made in 1997-98, an increase of 361 over the previous year. The number of repairs was 3,000, an increase of 42 over the previous year.

- A total 26,231 wheelchairs and other special needs equipment aids were loaned to beneficiaries in 1997-98, an increase of 5,813 over the previous year. The number of needs equipment repairs was 1,989, a reduction of 61 from the previous year.

The Drug Plan

Background

- Enabling legislation for the Drug Plan, The Prescription Drugs Act was assented to on May 10, 1974.

- The Drug Plan began providing benefits on September 1, 1975. A review process was established to recommend which drugs should be covered under the Drug Plan. The actual acquisition cost plus a dispensing fee comprised the total cost of a Formulary drug.

- During the first full year, $14.9 million was paid in benefits; the average prescription cost was $6.04; and the average consumer share was $1.96 per prescription.

- On July 1, 1987, a mark-up on the cost of a drug was added. Mark-up was calculated on the acquisition cost before the dispensing fee was added.

- On July 1, 1987, the Drug Plan was changed from a fixed co-payment coverage program to a basic deductible* and percentage co-payment program. Those residents entitled to special health benefits were exempted.

- On July 1, 1987, Palliative Care coverage was introduced.

- On January 1, 1989, Point of Sale terminals were installed for each pharmacy to submit claims information electronically for adjudication on-line real time.

- On January 1, 1989, eligible drugs purchased anywhere in Canada by all eligible Saskatchewan residents became a benefit.

- On March 8, 1991, beneficiaries in Special Care Homes who previously paid a maximum $3.95 for each prescription, became part of the deductible plan.

- On July 1, 1991, the coverage policy for drugs in an interchangeable group was changed. The actual acquisition cost of every product in the interchangeable group is covered only up to lowest listed price in the group. Patients experiencing problems with a specific brand of medication could be exempted from the extra cost of the "no sub" brand at their physician's request.

- In 1995, an agreement was reached with the Saskatchewan Pharmaceutical Association to collect 3 cents from each dispensed covered prescription. The resulting fund is used to pay for alternative services provided by pharmacies (e.g. trial prescriptions).

* Refer to ***History of Deductibles*** on page 7.

History of Deductibles:

- **July 1, 1987**
  - Annual deductible of $125 (regular family), then a co-payment of 20%.
  - Annual deductible of $75 (senior family), then a co-payment of 20%.
  - Annual deductible of $50 (single senior), then a co-payment of 20%.

- **March 8, 1991**
  - Annual deductibles as above (1987), then a co-payment of 25%.
  - Residents of Special Care Homes became part of the deductible program.

- **May 19, 1992**
  - Semi-annual deductible of $190 (regular family), then a co-payment of 35% to a $375 maximum, then 10% co-payment.
  - Single Senior and Senior family deductibles at 1987 level but became semi-annual, with a co-payment of 35% to a $375 maximum, then 10% co-payment.

- **March 19, 1993**
  - Families became eligible for the Special Support program, where the co-payment is determined based on family income. Co-payment is set based on the relation between family income and eligible drug cost.
  - Family Income Plan recipients and Saskatchewan Income Plan recipients, a semi-annual deductible of $100 then a co-payment of 35%.
  - Guaranteed Income Supplement recipients in special care homes, a semi-annual deductible of $100, then a co-payment of 35%.
  - All other Guaranteed Income Supplement recipients, a semi-annual deductible of $200 then a co-payment of 35%.
  - All other family units subject to a deductible and not approved for Special Support, a semi-annual deductible of $850, then a co-payment of 35%.

OBJECTIVES

The Drug Plan has been established to:

- provide coverage to Saskatchewan residents for quality pharmaceutical products of proven therapeutic effectiveness;
- reduce the direct cost of prescription drugs to Saskatchewan residents;
- reduce the cost of drug materials;
- encourage the rational use of prescription drugs.

Table 1 - Prescription Use & Drug Plan Payment

Type of Beneficiary	Active Beneficiaries [1]	Number of Prescriptions [2]	%	Total Drug Plan Payment [3]	%
April 1997 - March 1998					
Saskatchewan Assistance Plan Recipients					
-Prescription Charge Subsidized, (Plan One)	26,001	292,743	4.7	$ 7,990,375	12.3
-Prescription Charge Fully Covered					
Special Drugs for Plan One	2,372	26,414	0.4	692,562	1.1
Plan OneDependents to Age 18	16,932	72,481	1.2	1,388,538	2.1
Plans Two and Three	9,361	216,967	3.5	5,726,272	8.8
Special Beneficiaries					
-Paraplegics	1,271	31,711	0.5	988,992	1.5
-Cystic Fibrosis	104	2,403	0.0	505,004	0.8
-Chronic Renal Disease	579	26,477	0.4	857,803	1.3
-Others for Certain Drugs [4]	1,364	14,597	0.2	4,995,061	7.7
Child Benefit Program	2,827	10,291	0.2	193,197	0.3
Palliative Care	2,149	50,426	0.8	2,323,411	3.6
Emergency Assistance	124	530	0.0	9,230	0.0
Special Support	53,229	1,654,667	26.4	31,324,265	48.0
Income Supplement Recipients					
-Family Income Plan	2,028	8,289	0.1	26,838	0.0
-Saskatchewan Income Plan	8,627	155,162	2.5	1,499,857	2.3
-Guaranteed Income Supplement					
Special Care Home	2,489	74,802	1.2	737,918	1.1
Community	23,819	369,656	5.9	2,346,761	3.6
Regular Deductible Program	466,982	3,253,551	52.0	3,593,106	5.5
Total	620,258	6,261,167	100.0	$ 65,199,190	100.0

1 Active Beneficiaries are more than in other tables as a beneficiary can appear in more than one type in the same year.

2 Refers to Formulary and Exception Drug Status drugs.

3 Drug Plan Payment is the total of the Drug Material Cost and Dispensing fee; less deductibles, the co-payment, and prescription charges paid by the consumer to the pharmacy.

4 Prescriptions for certain drugs have been restated to show under Special Beneficiaries to conform with co-payments policies established when approving coverage of new high cost MS drugs.

Types of Drug Plan Coverage

1. Saskatchewan Assistance Plan Coverage

Residents receiving benefits through the Saskatchewan Assistance Plan (SAP) are entitled to Drug Plan benefits at a reduced charge, or at no charge depending on their level of coverage. Deductibles are waived for these beneficiaries.

a. Plan One

Plan One beneficiaries 18 years or older are entitled to receive insulin, oral hypoglycemics, injectable vitamin B12, allergenic extracts, oral contraceptives and some products used in megavitamin therapy at no charge. These beneficiaries pay a reduced charge, to a maximum of $2.00, for all Formulary and approved Exception Drug Status drugs.

Dependents under 18 years of age are entitled to receive the above benefits at no charge.

b. Plan Two

Beneficiaries receiving Plan Two coverage are entitled to receive the same benefits as Plan One patients at no charge.

Plan Two coverage is provided to assist Plan One beneficiaries who require several drugs on a regular long-term basis. Eligibility for Plan Two coverage is determined on the basis of a physician's review of medication requirements, and application to the Drug Plan and Extended Benefits Branch.

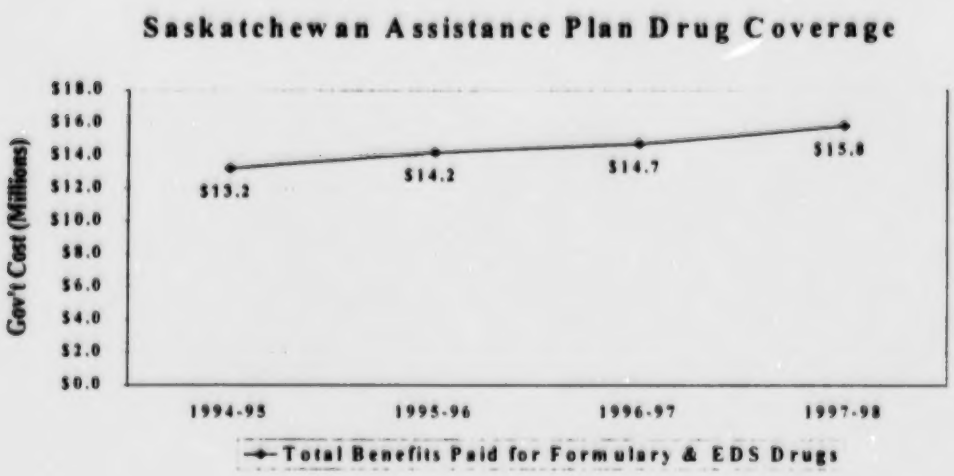
c. Plan Three

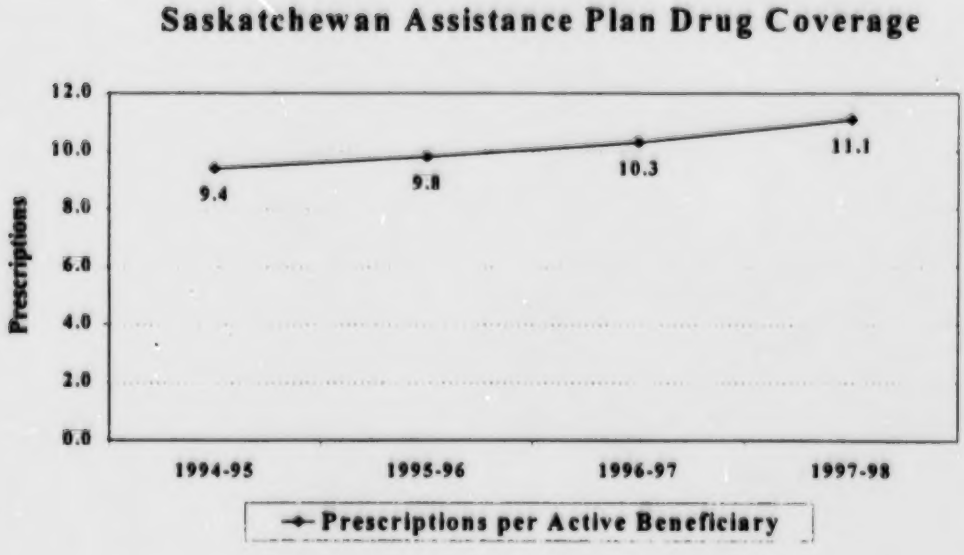
Plan Three beneficiaries are entitled to receive all Formulary drugs and certain non-Formulary drugs at no charge. Supplementary Health covers the cost of certain non-Formulary drugs and the cost of megavitamins and allergenic extracts for Plan One and Plan Two beneficiaries.

Plan Three beneficiaries are residents receiving supplementary assistance who live in Special-Care homes licensed under *The Housing and Special-Care Homes Act*, Approved Homes licensed under *The Mental Health Act*, wards of the province and inmates of provincial jails.

Saskatchewan Assistance Plan Coverage (Continued)

	1994-95	1995-96	1996-97	1997-98
Number of SAP Active Beneficiaries	59,307	58,221	57,134	54,666

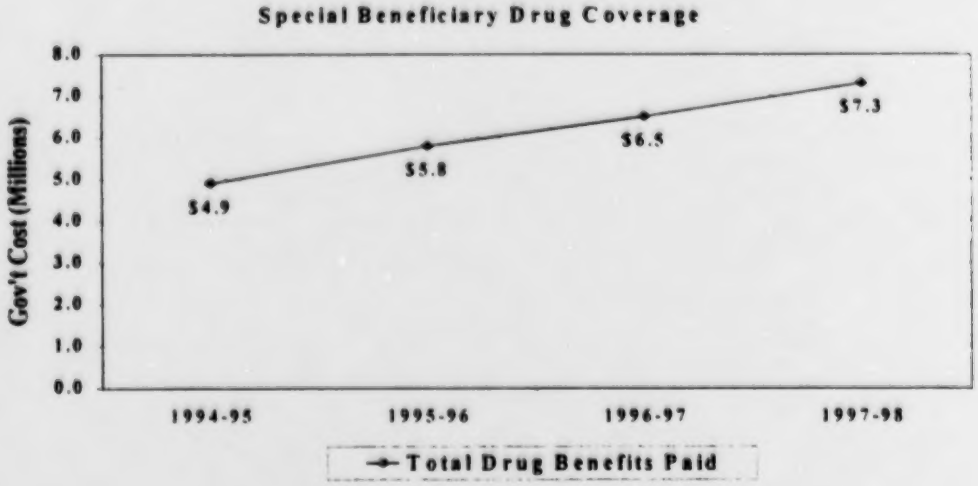


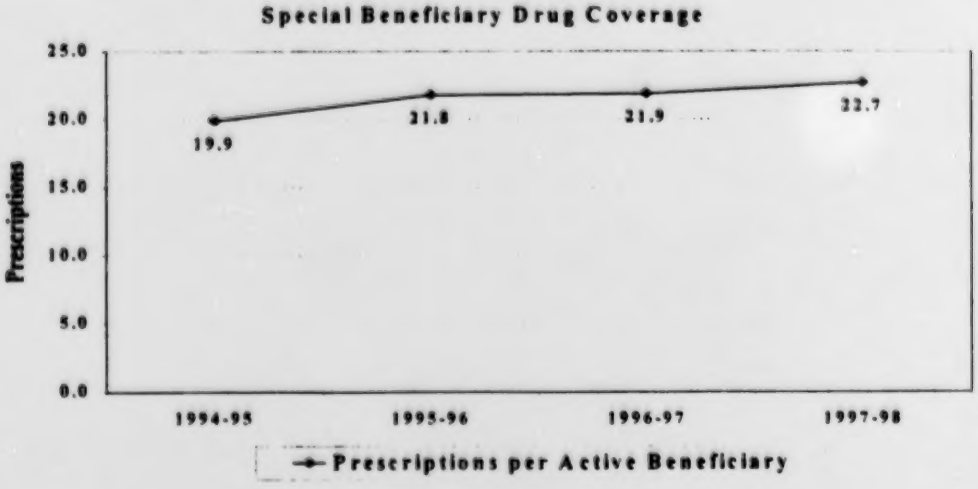


2. Special Beneficiaries

Special Beneficiaries include persons under the paraplegic program, cystic fibrosis program, chronic end-stage renal disease program, and users of certain no charge high cost drugs. These beneficiaries are entitled to receive certain non-Formulary drugs, Exception Drug Status drugs, and all prescribed Formulary drugs at no charge under the Drug Plan.

	1994-95	1995-96	1996-97	1997-98
Number of Active Beneficiaries	2,812	2,924	3,154	3,318



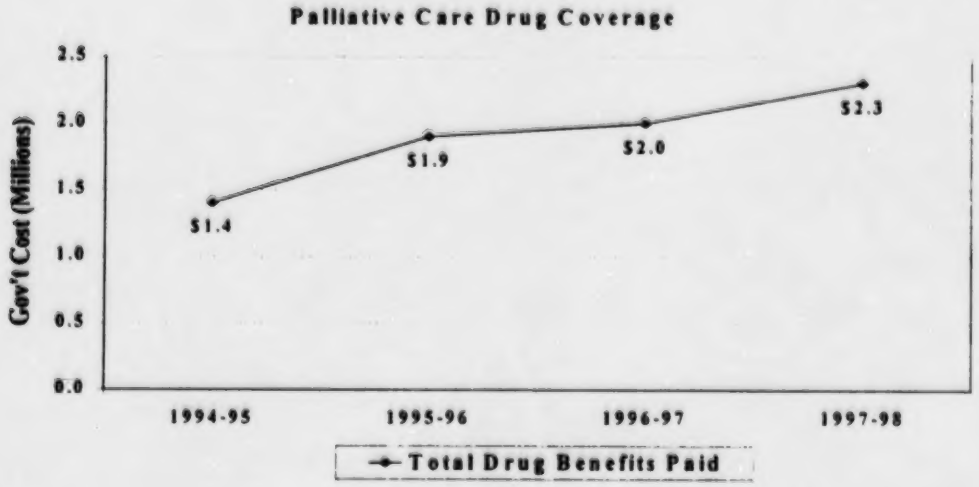


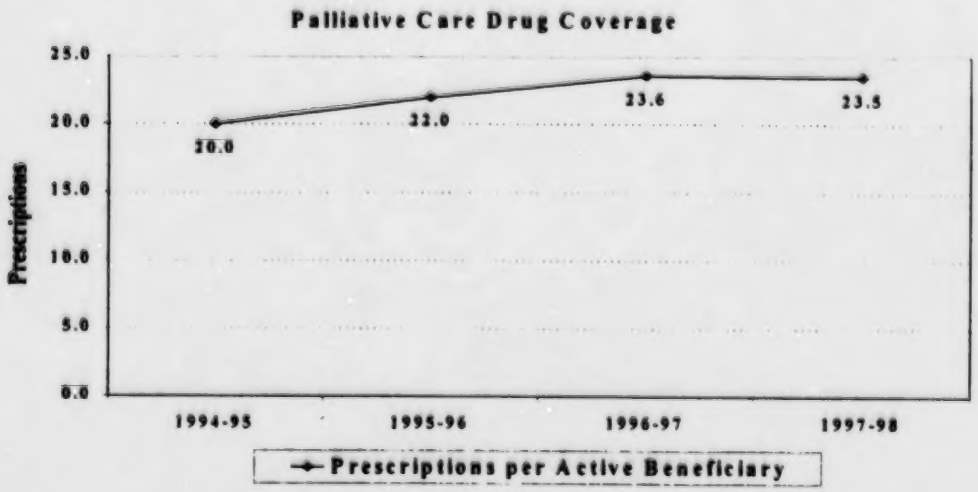
3. Palliative Care Coverage

Persons in late stages of terminal illness are entitled to receive at no cost:

- regular Formulary drugs;
- EDS drugs where prior approval has been granted;
- most laxatives.

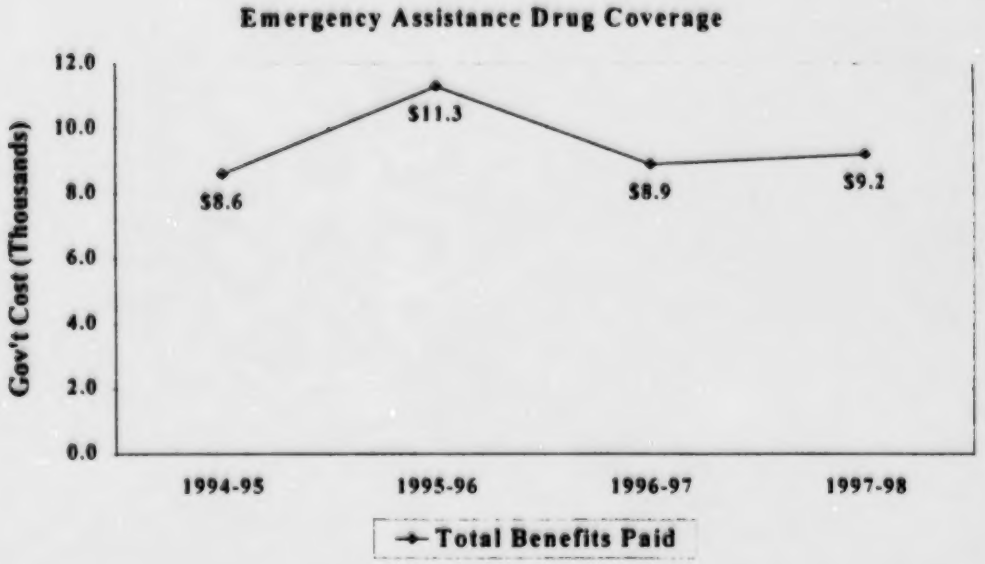
	1994-95	1995-96	1996-97	1997-98
Number of Active Beneficiaries	1,535	1,841	1,915	2,149





4. Emergency Assistance

Residents who require immediate treatment with covered prescription drugs and who are unable to cover the cost, may access emergency assistance. An eligible beneficiary may obtain a limited supply of covered prescription drug(s) at a reduced cost. The level of assistance provided will be in accordance with the consumer's ability to pay. Emergency assistance is available on one occasion, after which the beneficiary is then encouraged to apply for Special Support.



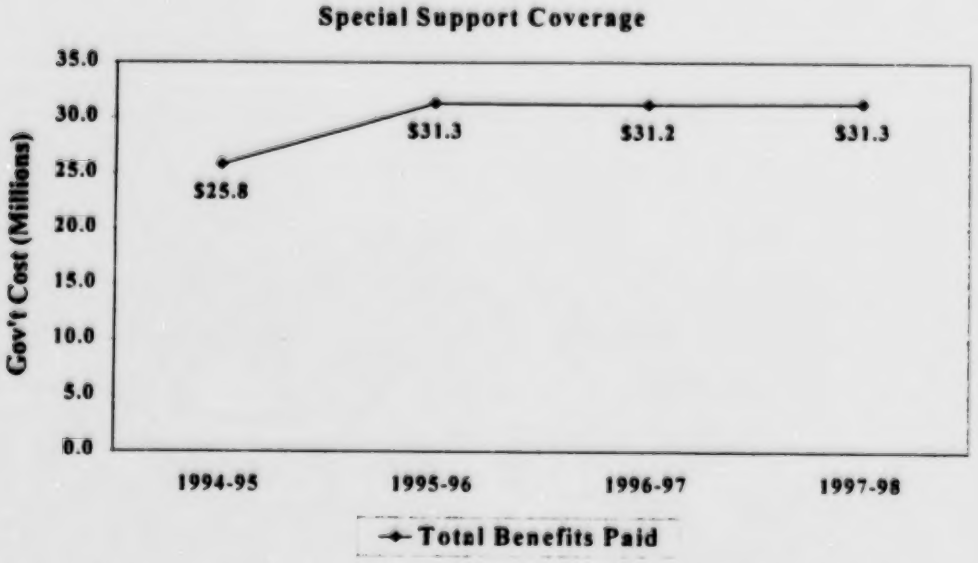
5. Special Support Coverage

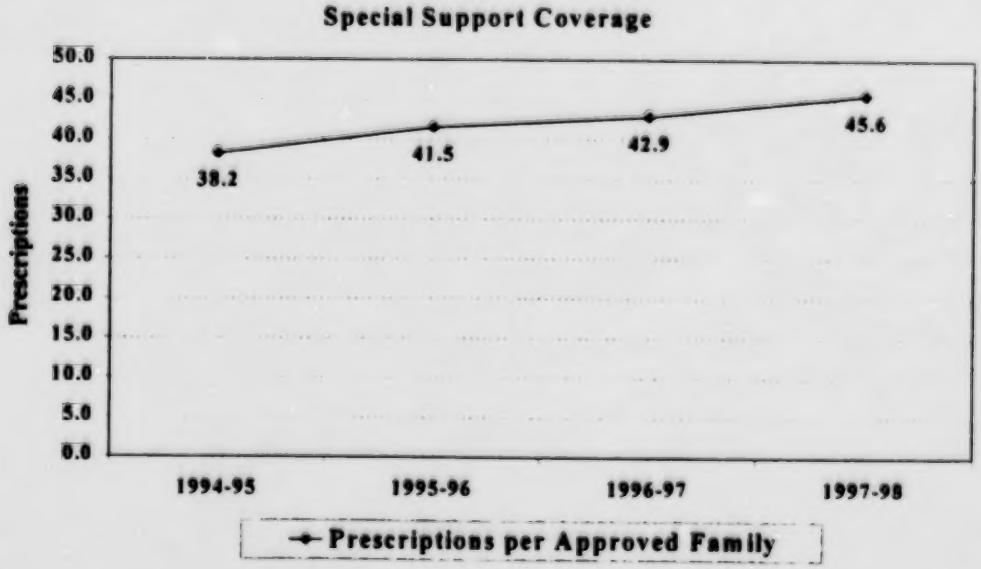
The Special Support program helps **those families whose drug costs are high in relation to their income**. Based on the information provided on the application form along with Drug Plan records, the Drug Plan may lower the deductible and assign the consumer a lower co-payment to spread the costs over the year.

If the annual drug costs exceed 3.4% of the family adjusted income (income after adjusting for the number of dependents), the family may qualify for Special Support. Residents must apply for Special Support as the Drug Plan does not have access to the required information related to income.

Special Support Coverage (Continued)

	1994-95	1995-96	1996-97	1997-98
Number of approved Special Support Families	39,430	39,373	38,201	36,298

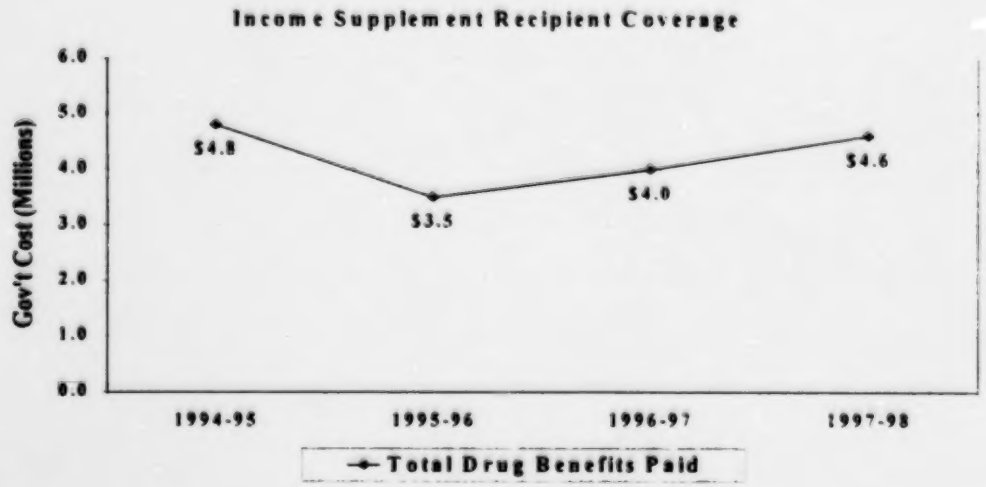


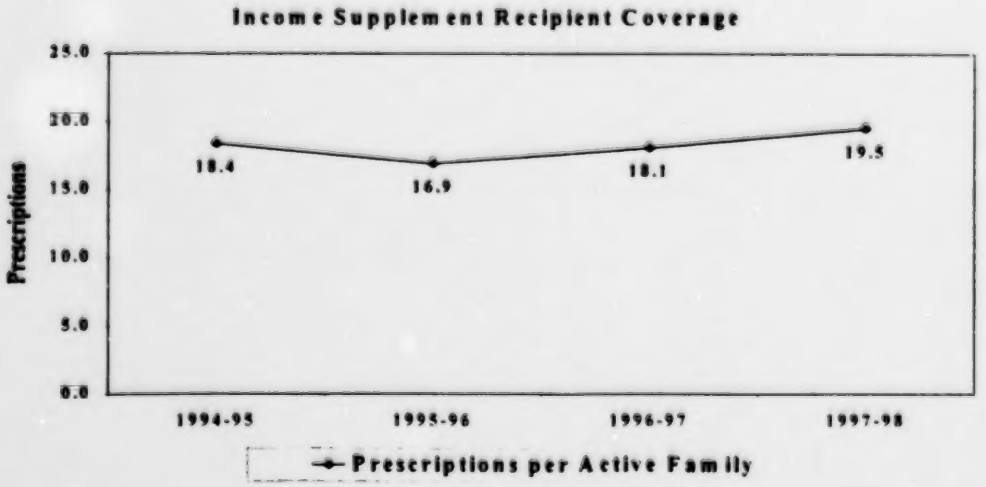


6. Income Supplement Recipients

Families receiving the Family Income Supplement (FIP), single seniors and senior families receiving the Saskatchewan Income Supplement (SIP) or receiving the federal Guaranteed Income Supplement (GIS) and residing in a nursing home have a $100 semi-annual deductible. Other single seniors and senior families receiving GIS have a $200 semi-annual deductible. Any of these families who have high drug costs may also apply for Special Support. Other seniors who have higher incomes and low drug costs pay the regular $850 semi-annual deductible.

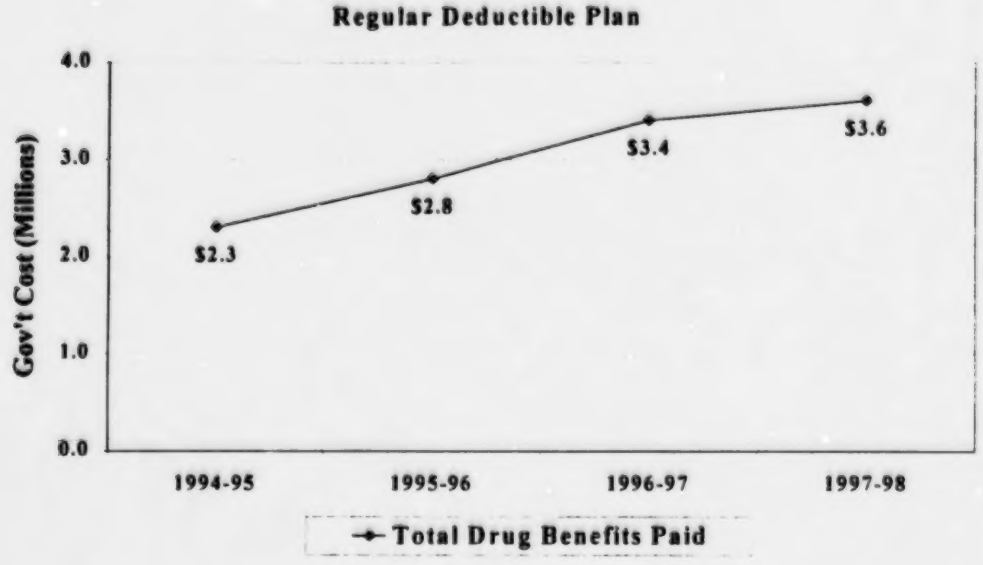
	1994-95	1995-96	1996-97	1997-98
Number of Active Families	34,387	30,346	30,379	31,143

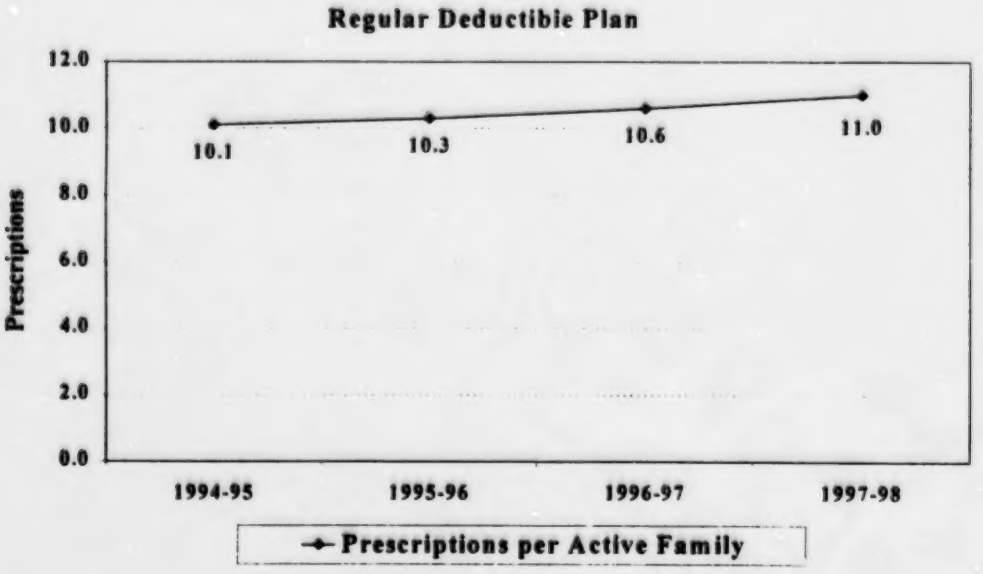




7. Regular Deductible Program

Families who are not eligible for any other Drug Plan coverage have an $850 semi-annual deductible, and pay a 35% co-payment after they have reached their deductible.





8. Child Benefit Program

Effective May 1, 1997, children under 18 years of age of families receiving the Family Income Supplement became eligible for the same benefits as Supplementary Health beneficiaries.

During 1997-98, 2,827 children obtained an average of 3.6 prescriptions per child at no cost to the family. The cost of the program was $0.2 million.

The Child Benefit Program became part of the Family Health Benefit Program effective August 1, 1998.

Drugs Covered by the Drug Plan

With the exception of insulin and urine and blood testing agents for diabetics, a prescription is required from a physician, dentist or optometrist for all drugs eligible for coverage under the Drug Plan.

The Formulary

The Drug Plan and Extended Benefits Branch prepares, maintains, and distributes the Saskatchewan Formulary. The Formulary is a listing of therapeutically effective drugs of proven high quality that have been approved for coverage under the Drug Plan.

Drugs listed in the Formulary are periodically reviewed and additions and deletions are recommended when necessary. A revised edition of the Formulary is published twice yearly, January 1st and July 1st. The goal of the Formulary is to list a range and variety of drugs that will enable prescribers to select an effective course of therapy for most patients. The January 1998 Saskatchewan Formulary listed 2,790 Formulary drug products and 322 published Exception Drug Status (EDS) products.

Exception Drug Status

Certain drugs are approved for coverage under Exception Drug Status, upon review and recommendation of the Saskatchewan Formulary Committee. The drugs usually fall into one of the following categories:

1. The drug is ordinarily administered only to hospital in-patients but is being administered outside of a hospital because of unusual circumstances.

2. The drug is not ordinarily prescribed or administered in Saskatchewan, but is being prescribed because it is required in the diagnosis or treatment of an illness, disability, or condition rarely found in Saskatchewan.

3. The drug is infrequently used because Formulary products are usually effective, but are contraindicated or found to be ineffective due to the clinical condition of the patient.

4. The drug has been deleted from the Formulary but is required by patients previously stabilized on the drug.

Drugs approved for Exception Drug Status coverage are subject to the same deductible and co-payment as the patient's Formulary drugs, with the exception of certain high cost drugs which are provided at no charge to the patient.

Over-the-Counter Products

Over-the-counter (OTC) products are generally not included as benefits of the Drug Plan.

Saskatchewan Formulary Process

Product Selection

The Minister of Health relies on the recommendations of two supporting committees; the Drug Quality Assessment Committee, and the Saskatchewan Formulary Committee in order to decide which products will be included as benefits.

The Drug Plan and Extended Benefits Branch provides resources and staff support to the Committees in the review of products for listing in the Saskatchewan Formulary. This support includes forecasting drug costs and preparing use/cost analysis reports.

- **Drug Quality Assessment Committee**

  The Drug Quality Assessment Committee (DQAC) is appointed by the Minister of Health to:

  - evaluate manufacturer submissions for consideration for coverage of new drugs and report its findings to the Saskatchewan Formulary Committee.
  - review available manufacturing documentation including clinical documents, scientific studies reports and published literature.
  - evaluate comparative bioavailability studies and/or comparative clinical studies to determine compliance with accepted standards for interchangeability.

- **Saskatchewan Formulary Committee**

  The Saskatchewan Formulary Committee (SFC), appointed by the Minister of Health, has the following functions:

  - recommends to the Minister of Health additions and deletions to the Saskatchewan Formulary. The SFC considers economic information including utilization patterns as well as clinical assessment by the DQAC assessment.
  - provides advice in compiling and maintaining the Saskatchewan Formulary.
  - identifies those products which are "interchangeable". Interchangeable products are different brands of the same drug that are equivalent in therapeutic effectiveness and quality.
  - conducts reviews of new drug products and re-evaluation of listed products based on new information about use, efficacy and cost.

Product Interchangeability and Pricing

One function of the Saskatchewan Formulary Committee is to identify interchangeable drug groups. Interchangeable products are different brands of the same drug with the same strength and dosage form that are equivalent in therapeutic effectiveness and quality.

The Formulary lists two types of interchangeable drug groups; Maximum Allowable Cost, and Standing Offer Contract.

- **Maximum Allowable Cost**

  In order to ensure price stability for the six month Formulary period, the Drug Plan and Extended Benefits Branch requires drug manufacturers to provide guaranteed maximum prices for the period. The Formulary periods are January 1 to June 30 and July1 to December 31 each year. The prices constitute the Maximum Allowable Cost the Drug Plan will allow for those products during the effective Formulary period.

  Any drug in a Maximum Allowable Cost interchangeable group can be used to fill a prescription. The drug cost component in the approved prescription price is the actual acquisition cost of the drug up to the lowest price listed in the Formulary within that interchangeable group.

- **Standing Offer Contract (SOC)**

  The Drug Plan tenders the drugs in certain interchangeable groups to obtain the lowest possible price. An accepted tender, called SOC, requires the manufacturer to guarantee delivery of the specific drug to pharmacies through approved distributors at the contracted price. In return, the manufacturer's product will be used almost exclusively. This tender process, in 1997-98 saved Saskatchewan residents and the Drug Plan approximately $5.0M.

  Only the accepted tendered drug can be used to fill a prescription in an SOC interchangeable group. If a prescription is ordered as "no substitution" for any brand other than the SOC brand listed, the Drug Plan will cover the actual acquisition cost up to the listed SOC unit price. The difference in acquisition cost between the brand dispensed and the cost covered by the Drug Plan is the responsibility of the consumer.

"No Substitution" Prescription Drug Coverage

It is recognized that extremely rare cases may exist in which a person is not able to use a particular brand of product. In such cases, the physician may request exemption from full payment of incremental cost when a specific brand of drug in an interchangeable category is found to be essential for a particular patient. There is no provision for "blanket" exemptions. Each request must be patient and product specific.

Product Distribution

Two distribution networks are used to deliver drugs to pharmacies; manufacturers direct to pharmacies, or manufacturers to pharmacies via distributors and Saskatchewan wholesalers.

Encouraging Appropriate Drug Use

The Drug Plan uses a number of activities to encourage appropriate use of drugs:

- Use of the claims processing system to perform various edit and assessment checks.

- Use of Exception Drug Status coverage where drugs are only intended for use in certain circumstances. e.g. products intended for second line use.

- Provides funding support for:
  a) The College of Medicine Drug Evaluation Support - Roving Professorship Program to assist in the drug review process, to provide expert opinions on an ad hoc basis, and to deliver drug information to promote the optimal use of pharmaceuticals in the province.

  b) The College of Pharmacy Dial Access Drug Information Service, a province-wide drug information service for health professionals.

  c) The Consumer Drug Information Service, Canada's first province-wide telephone drug information service for consumers.

  d) The Triplicate Prescription Program operated by the College of Physicians and Surgeons, a two part written prescription to monitor prescribing for a select panel of prescription drugs with intent to reduce abuse and diversion.

  e) A community drug utilization program pilot project in the Saskatoon Health District as an educational resource to assist physicians in selecting the most appropriate and cost-effective drug therapy for their patients.

- Use of the Drug Plan database for internal and external drug use studies, pharmaco-epidemiological studies, and research projects by outside agencies.
  Note: Bibliography of completed studies is available upon request.

- Use of product assurance agreements with drug manufacturers. The Drug Plan monitors use of a particular drug to ensure utilization and health outcomes occur as stated in the manufacturers documentation submitted to the Saskatchewan Formulary Committee. Where that does not occur, an intervention may occur and a financial adjustment may be made against the manufacturer.

- Implementation of the trial prescription program as a joint project with the Saskatchewan Pharmaceutical Association. The pharmacist is encouraged to dispense a seven to ten day supply for the initial prescription of certain drugs, monitor the effect on the patient and if the outcomes are positive, dispense the full prescription as directed by the physician. There is no additional cost to the resident for this service.

Pharmacy Claims Processing

An on-line computer network transmits prescription information from the pharmacy to the central computer where it is checked against stored data to determine whether it can be approved for payment. Checking includes: is the drug a benefit, does the beneficiary have health coverage and the type, is the quantity dispensed within appropriate levels, is the number of prescriptions for the beneficiary within limits, is the prescription a duplicate or possible duplicate of another dispensed prescription, is the prescriber authorized, are the unit costs within limits. The prescription claim is adjudicated and cost information is then transmitted back to the pharmacy, detailing the consumer share and Drug Plan share.

Other activities that are a part of claims processing include: Special Support assessment; reimbursement to beneficiaries for prescriptions purchased out of province; selecting certain approved claims for verification with the beneficiary; and providing assistance to pharmacies and consumers via toll-free telephone lines.

- **Pharmacy Reimbursements**

  At March 31, 1998, there were 363 pharmacies providing Drug Plan eligible services.

  According to the Agreement between Saskatchewan Health and pharmacy proprietors, the prescription cost is calculated by adding the acquisition cost of the drug material, the submitted mark-up and dispensing fee (up to a maximum).

  The maximum dispensing fee is $6.93. The maximum mark-up allowance calculated on the prescription drug cost is: 30% for drug cost up to $6.30, 15% for drug cost between $6.31 and $15.80 and 10% for drug cost of $15.81 and over.

  For urine-testing agents the pharmacy receives acquisition cost along with the mark-up and a 50% mark-up in place of the dispensing fee. For insulin, the pharmacy receives acquisition cost plus a negotiated mark-up.

- **Prescription Quantities**

  The Drug Plan places no limitation on the quantities of drugs that may be prescribed. Prescribers shall exercise their professional judgment in determining the course and duration of treatment for their patients. However, in most cases, the Drug Plan will not pay benefits or credit deductibles for more than a 3-month supply of a drug at one time.

The pharmacist may charge one dispensing fee for each prescription for most drugs listed in the Formulary. If a prescription is for a duration of one month or more, the pharmacist is entitled to charge a dispensing fee for each 34 day supply, however the Agreement does not prohibit the pharmacist from dispensing more than a 34 day supply for one fee. The Agreement also contains a list of Two-Month and 100-day supply drugs. Prescribing and dispensing should be in these quantities once the medical therapy of a patient is in the maintenance stage, unless there are unusual circumstances that require these quantities not be dispensed.

Formulary and EDS Drug Utilization 1997-98

At June 30, 1997, a total of 936,947 individuals, representing 499,997 family units were eligible to receive Drug Plan benefits.

A total of 620,258 individual beneficiaries representing 407,001 family units, purchased eligible prescriptions. This represents 66.2% of eligible individuals.

1. Overall 1997-98 Utilization

Figure 1 compares active Drug Plan beneficiaries to the eligible population and shows the percentage of total prescriptions dispensed to each age group. This shows that the 65+ age group, while 15.5% of the eligible population, represent 20.3% of Drug Plan active beneficiaries, and receive 45.9% of all prescriptions.

Table 2 presents prescription drug utilization by age and sex of the beneficiary. It also shows that drug utilization increases with age, with the larger increases beginning at age 45.

Figure 1
Prescriptions Dispensed by Age Groups, Eligible and Active Beneficiaries

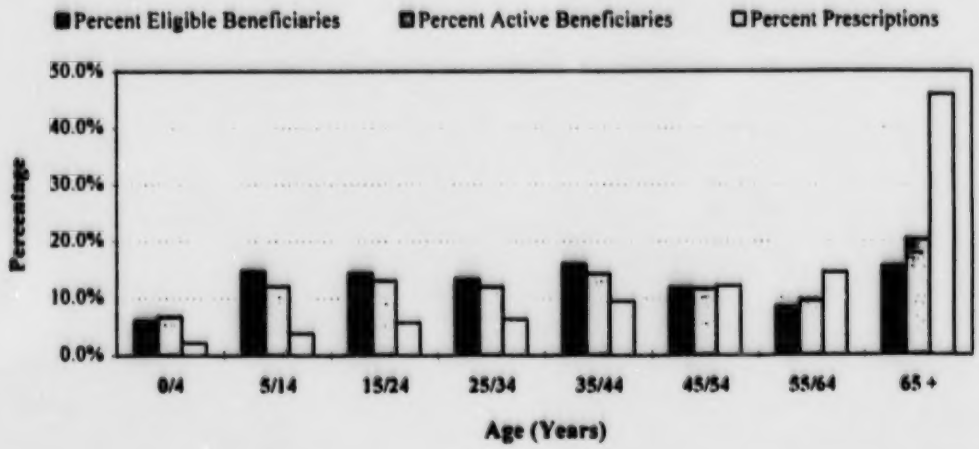


Table 2
Prescription Drug Utilization by Age and Sex of Active Beneficiary

Age of Consumer [5]	Active Beneficiaries	Number of Prescriptions [1]	Drug Material Cost [2]	Dispensing Fee [3]	Total Drug Plan Payment [4]
April 1997 - March 1998 (as submitted for all prescriptions to all beneficiaries)					
Male					
0 - 4	22,048	75,665	$ 676,924	$ 464,431	$ 380,985
5 - 14	38,103	131,637	2,321,156	785,851	1,106,774
15 - 24	33,221	121,578	2,946,353	695,687	1,501,643
25 - 34	29,112	130,162	3,253,675	755,149	2,001,767
35 - 44	38,973	235,691	6,125,728	1,385,202	3,206,048
45 - 54	33,013	306,979	8,234,763	1,786,092	3,527,904
55 - 64	27,172	378,286	9,888,340	2,185,608	4,194,340
65 - 74	27,607	518,753	12,734,795	3,035,044	5,898,313
75 - 84	17,242	392,288	8,318,270	2,391,849	4,032,785
85 and over	6,213	163,355	2,842,361	1,043,045	1,788,205
Male Total	272,704	2,454,394	$ 57,342,365	$ 14,527,958	$ 27,638,764
Female					
0 - 4	20,322	65,122	$ 705,783	$ 401,267	$ 475,318
5 - 14	37,173	109,530	1,673,406	659,436	823,414
15 - 24	48,316	236,101	4,807,351	1,383,844	1,900,681
25 - 34	45,432	265,853	5,779,519	1,539,812	2,333,422
35 - 44	49,741	354,884	7,903,573	2,082,701	3,506,918
45 - 54	39,508	451,209	9,126,524	2,630,846	3,701,851
55 - 64	32,429	526,937	11,024,268	3,035,842	4,974,517
65 - 74	33,205	680,327	14,908,406	4,036,749	7,207,376
75 - 84	28,524	734,538	14,463,637	4,564,419	8,288,977
85 and over	12,904	382,272	6,139,886	2,476,057	4,347,952
Female Total	347,554	3,806,773	$ 76,532,353	$ 22,810,973	$ 37,560,426
Both Sexes					
0 - 4	42,370	140,787	$ 1,382,707	$ 865,698	$ 856,303
5 - 14	75,276	241,167	3,994,562	1,445,287	1,930,188
15 - 24	81,537	357,679	7,753,704	2,079,531	3,402,324
25 - 34	74,544	396,015	9,033,194	2,294,961	4,335,189
35 - 44	88,714	590,575	14,029,301	3,467,903	6,712,966
45 - 54	72,521	758,188	17,361,287	4,416,938	7,229,755
55 - 64	59,601	905,223	20,912,608	5,221,450	9,168,857
65 - 74	60,812	1,199,080	27,643,201	7,071,793	13,105,689
75 - 84	45,766	1,126,826	22,781,907	6,956,268	12,321,762
85 and over	19,117	545,627	8,982,247	3,519,102	6,136,157
Grand Total	620,258	6,261,167	$ 133,874,718	$ 37,338,931	$ 65,199,190

1 Refers to Formulary and Exception Drug Status drugs.

2 Includes mark-up on drug acquisition cost.

3 The Dispensing fee charged by pharmacy for the prescriptions dispensed.

4 Drug Plan Payment is the total of the Drug Material Cost and Dispensing fee; less deductibles, the co-payment, and prescription charges paid by the consumer to the pharmacy.

5 Age of beneficiary as at March 31, 1997.

2. 1997-98 Utilization by Type of Beneficiary

Drug Plan benefits are directed at families with low incomes, families with high drug costs and those with a combination of the two. Table 3 summarizes the beneficiaries into four main groups:

1. beneficiaries approved for a Special Support co-payment;
2. beneficiaries exempt from paying a deductible, who are on Saskatchewan Assistance Plan (SAP), S.A.I.L. beneficiaries, palliative care, and certain drugs;
3. beneficiaries approved for Income Supplement under Family Income Plan (FIP), Saskatchewan Income Plan (SIP), and Guaranteed Income Supplement (GIS);
4. beneficiaries under the $850 semi-annual deductible.

Table 3
Prescription Drug Utilization by Over/Under 65

April 1997 - March 1998

Type of Beneficiary	Active Beneficiaries	Number of Prescriptions [1]	Payment Patient Paid	Average Cost to Patient	Drug Plan Payment [2]	Average Cost to Drug Plan
Beneficiaries approved under Special Support Program						
Under 65	23,260	468,136	$ 6,272,097	$ 269.65	$ 10,194,452	$ 438.28
65 and over	29,969	1,186,531	13,758,898	$ 459.10	21,129,813	$ 705.06
Sub-Total	53,229	1,654,667	$ 20,030,995	$ 376.32	$ 31,324,265	$ 588.48
Beneficiaries exempt from paying a Deductible (e.g. SAP, SAIL, Palliative Care)						
Under 65	58,333	600,053	$ 555,482	$ 9.52	$ 21,256,409	$ 364.40
65 and over	4,627	144,457	22,620	$ 4.89	4,404,806	$ 951.98
Sub-Total	62,960	744,510	$ 578,102	$ 9.18	$ 25,661,215	$ 407.58
Beneficiaries receiving Income Supplements (FIP, SIP, & GIS not covered under Special Support)						
Under 65	5,119	45,801	$ 763,972	$ 149.24	$ 270,862	$ 52.91
65 and over	31,844	562,108	8,239,464	$ 258.74	4,340,512	$ 136.31
Sub-Total	36,963	607,909	$ 9,003,436	$ 243.58	$ 4,611,374	$ 124.76
Beneficiaries under Regular Deductible Program (not eligible for any other Drug Plan coverage)						
Under 65	407,851	2,275,644	$ 53,004,288	$ 129.96	$ 1,913,859	$ 4.69
65 and over	59,255	978,437	23,392,687	$ 394.78	1,688,477	$ 28.50
Sub-Total	467,106	3,254,081	$ 76,396,975	$ 163.55	$ 3,602,336	$ 7.71
Grand Total	620,258	6,261,167	$ 106,009,508		$ 65,199,190	

1 Refers to Formulary and Exception Drug Status drugs.

2 Drug Plan Payment is the total of the Drug Material Cost and Dispensing fee; less deductibles, the co-payment, and prescription charges paid by the consumer to the pharmacy.

3. 1997-98 Utilization by Families

Tables 4, 5, and 6 show the breakdown of prescription utilization, family cost, and government cost for all families using one or more prescriptions in the fiscal year by three categories of families:

1. Families that applied for Special Support and were granted a reduced co-payment because their annual drug costs exceeded 3.4% of their annual family income;

2. Families exempt from the deductible program. (e.g. Saskatchewan Assistance Plan families, S.A.I.L. beneficiaries, Palliative Care);

3. Families that reached a deductible before a reduced co-payment was granted.

In 'Families Approved under the Special Support Program' (Table 4), 36,298 families who had high drug costs in relation to their income received $31.3 million in benefits, which equals an average payment of $863 per family.

In 'Families Exempt from the Deductible Program' (Table 5), the average payment on behalf of each active family was $572.65.

In 'Families Under the Deductible Program' (Table 6), the average payment on behalf of each active family was $25.20. Families included in this table are:

- Those that have a $100 semi-annual deductible because they receive the Family Income Supplement (FIP), are single seniors and senior families receiving the Saskatchewan Income Supplement (SIP), or are receiving the federal Guaranteed Income Supplement (GIS) and residing in a nursing home.

- Those that have a $200 semi-annual deductible because they receive GIS.

- Those that are not eligible for any other Drug Plan coverage and must reach a $850 semi-annual deductible.

Table 4
Prescription Cost to Families Approved Under Special Support Program

April 1997 - March 1998

Cost to Family Unit	Number of Family Units	Number of Prescriptions[1]	Drug Material Cost[2]	Approved Prescription Cost	Net Family Payments[3]	Total Drug Plan Payment
$ 00.01 - 25.00	1,079	4,659	$ 73,359	$ 101,824	$ 11,429	$ 90,395
25.01 - 50.00	798	7,479	157,544	201,667	29,999	171,668
50.01 - 75.00	681	8,866	202,029	254,987	42,473	212,514
75.01 - 100.00	698	10,757	264,090	327,532	61,197	266,335
100.01 - 125.00	622	11,092	257,334	323,651	69,894	253,757
125.01 - 150.00	699	13,039	316,785	392,405	96,149	296,256
150.01 - 175.00	735	16,703	368,950	469,224	119,456	349,768
175.01 - 200.00	718	16,801	375,943	475,418	134,924	340,494
200.01 - 250.00	1,573	41,384	901,156	1,149,156	355,462	793,694
250.01 - 300.00	1,928	60,923	1,272,139	1,646,391	531,304	1,115,087
300.01 - 350.00	2,300	82,141	1,703,779	2,203,282	748,123	1,455,159
350.01 - 400.00	2,614	105,369	2,268,220	2,922,256	980,760	1,941,496
400.01 - 450.00	2,524	109,249	2,429,986	3,107,693	1,072,009	2,035,684
450.01 - 500.00	2,348	111,550	2,528,661	3,214,150	1,113,598	2,100,552
500.01 - 600.00	3,901	200,273	4,684,948	5,906,593	2,137,617	3,768,976
600.01 - 725.00	3,664	204,561	5,061,243	6,315,794	2,414,169	3,901,625
725.01 - 850.00	2,668	163,640	4,224,291	5,215,900	2,092,225	3,123,675
850.01 - 1000.00	2,255	149,522	4,042,108	4,941,910	2,076,159	2,865,751
1000.01 - 1250.00	2,292	162,064	4,603,499	5,558,489	2,544,667	3,013,822
1250.01 - and over	2,201	174,595	5,588,127	6,626,938	3,399,381	3,227,557
All	36,298	1,654,667	$ 41,324,191	$ 51,355,260	$ 20,030,995	$ 31,324,265

1 Refers to Formulary and Exception Drug Status drugs.

2 Includes mark-up on drug acquisition cost.

3 Net Family Payments is the total cost paid by families granted a reduced co-payment.

Table 5
Prescription Cost to Families Exempt from paying a Deductible

April 1997 - March 1998

Cost to Family Unit	Number of Family Units	Number of Prescriptions[1]	Drug Material Cost[2]	Approved Prescription Cost	Net Family Payments[3]	Total Drug Plan Payment
$ NIL	18,536	345,570	$ 13,120,737	$ 15,272,618	$ 0	$ 15,272,618
00.01 - 25.00	19,615	149,325	2,533,072	3,446,891	159,857	3,287,034
25.01 - 50.00	3,523	81,955	1,809,908	2,319,666	125,969	2,193,697
50.01 - 75.00	1,418	52,273	1,277,839	1,606,368	87,427	1,518,941
75.01 - 100.00	782	38,693	951,775	1,197,156	67,283	1,129,873
100.01 - 125.00	393	25,138	619,932	779,680	43,879	735,801
125.01 - 150.00	231	17,848	433,332	548,086	31,411	516,675
150.01 - 175.00	126	11,219	261,985	337,752	20,304	317,448
175.01 - 200.00	94	9,614	251,453	314,421	17,515	296,906
200.01 - 250.00	61	7,398	197,292	246,997	13,584	233,413
250.01 - 300.00	18	2,614	80,418	97,271	4,868	92,403
300.01 - 350.00	6	1,029	24,833	32,357	1,931	30,426
350.01 and over	8	1,834	26,964	40,054	4,074	35,980
All	44,811	744,510	$ 21,589,540	$ 26,239,317	$ 578,102	$ 25,661,215

1 Refers to Formulary and Exception Drug Status drugs.

2 Includes mark-up on drug acquisition cost.

3 Refers to the maximum $2 per prescription charge paid by the family.

Table 6

Prescription Cost to Families Under a Deductible Program [4]

April 1997 - March 1998

Cost to Family Unit	Number of Family Units	Number of Prescriptions [1]	Drug Material Cost [2]	Approved Prescription Cost	Net Family Payments [3]	Total Drug Plan Payment
$ 00.01 - 25.00	56,448	72,844	$ 379,358	$ 807,862	$ 800,573	$ 7,289
25.01 - 50.00	42,485	112,829	887,137	1,558,529	1,546,812	11,717
50.01 - 75.00	28,009	117,775	1,054,834	1,747,370	1,732,363	15,007
75.01 - 100.00	21,068	118,703	1,152,326	1,852,058	1,837,005	15,053
100.01 - 125.00	16,968	117,237	1,230,680	1,918,430	1,900,426	18,004
125.01 - 150.00	14,490	116,761	1,331,019	2,012,591	1,986,673	25,918
150.01 - 175.00	12,721	116,509	1,422,193	2,097,246	2,064,367	32,879
175.01 - 200.00	11,427	116,673	1,502,980	2,183,101	2,141,739	41,362
200.01 - 250.00	19,536	228,067	3,142,189	4,488,641	4,374,053	114,588
250.01 - 300.00	14,513	207,245	2,928,599	4,155,625	3,972,382	183,243
300.01 - 350.00	11,279	187,980	2,792,430	3,904,554	3,656,197	248,358
350.01 - 400.00	9,479	175,407	2,807,533	3,839,689	3,549,240	290,449
400.01 - 450.00	8,225	168,268	2,830,042	3,820,725	3,493,531	327,194
450.01 - 500.00	7,053	157,473	2,787,435	3,712,412	3,345,521	366,891
500.01 - 600.00	11,479	284,564	5,367,170	7,045,003	6,284,936	760,067
600.01 - 725.00	10,257	289,435	5,891,572	7,588,141	6,761,484	826,657
725.01 - 850.00	7,150	224,480	4,929,894	6,249,088	5,604,156	644,932
850.01 - 1000.00	6,289	215,038	5,019,314	6,275,239	5,792,053	483,186
1000.01 - 1250.00	6,887	270,435	6,703,017	8,277,169	7,673,089	604,080
1250.01 - and over	10,129	564,267	16,801,265	20,080,648	16,883,811	3,196,837
All	325,892	3,861,990	$ 70,960,987	$ 93,614,121	$ 85,400,411	$ 8,213,709

1 Refers to Formulary and Exception Drug Status drugs.

2 Includes mark-up on drug acquisition cost.

3 Net Family Payments is the net cost to a family for the total of the deductible and the family co-payment once the deductible has been met.

4 Includes beneficiaries receiving Income Supplements and beneficiaries under the Regular Deductible program, who are not approved under the Special Support Program

4. 1997-98 Utilization by Pharmacologic - Therapeutic Classification

Table 7 shows prescription volume and Drug Plan expenditures by Pharmacologic - Therapeutic Classification. Four categories; Central Nervous System (CNS) Drugs, Anti-Infectives, Cardiovascular Drugs and Hormones and Substitutes, accounted for 69.6% of all prescriptions and 62.3% of all Drug Plan payment.

Table 7
Prescriptions by Pharmacologic - Therapeutic Classification

Pharmacologic - Therapeutic Classification [1]	Number of Prescriptions [2]	Drug Material Cost [3]	Total Drug Plan Payment
April 1997 - March 1998			
As submitted for all beneficiaries			
8:00 Anti-Infectives	745,730	$ 7,852,802	$ 3,609,604
10:00 Antineoplastic agents	1,308	292,225	263,091
12:00 Autonomic Drugs	246,781	4,628,534	2,933,630
20:00 Blood Formation and Coagulation	96,618	2,867,296	1,635,812
24:00 Cardiovascular Drugs	1,441,984	41,103,045	16,233,010
28:00 Central Nervous System Drugs	1,238,508	24,878,845	14,736,008
36:00 Diagnostic Agents	68,974	3,994,553	1,945,930
40:00 Electrolytic, Caloric, and Water Balance	380,588	1,164,898	1,409,006
48:00 Cough Preparations	506	244,842	245,904
52:00 Eye, Ear, Nose and Throat Preparations	243,339	4,341,878	1,335,168
56:00 Gastrointestinal Drugs	351,746	11,683,545	6,175,555
60:00 Gold Compounds	781	46,231	21,075
64:00 Metal Antagonists	735	81,234	61,137
68:00 Hormones and Substitutes	933,133	16,595,420	6,064,882
76:00 Oxytocics	194	800	458
84:00 Skin and Mucous Membrane Preparations	236,470	4,645,589	1,880,503
86:00 Spasmolytics	40,111	659,858	433,544
88:00 Vitamins	45,508	177,846	177,538
92:00 Unclassified	188,153	8,615,277	6,037,335
Total	6,261,167	$ 133,874,718	$ 65,199,190

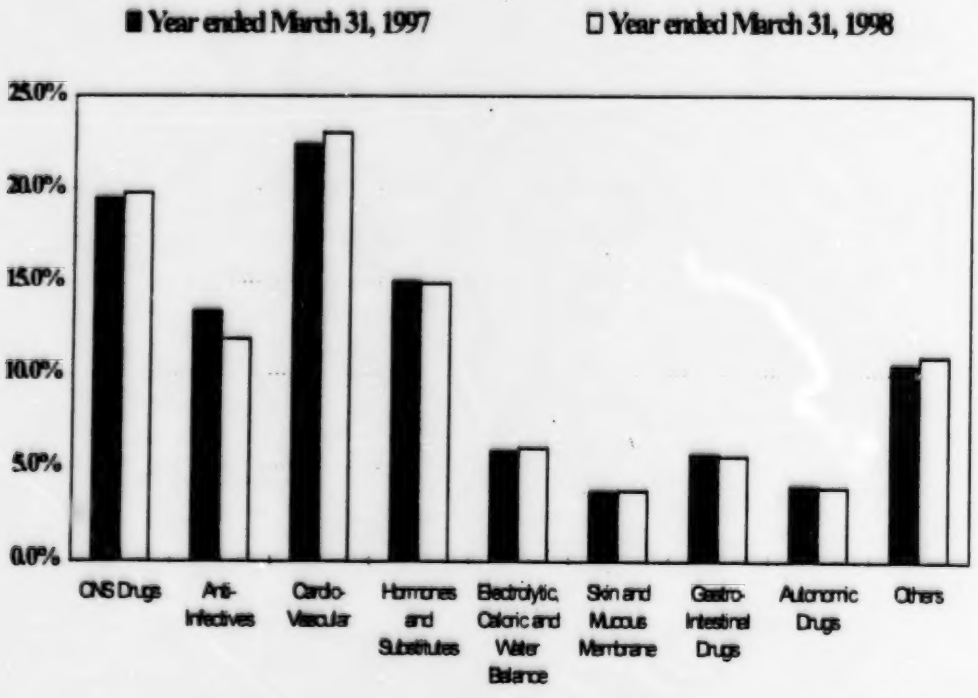
1 The drug classification system used is that of the American Society of Hospital Pharmacists.

2 Refers to Formulary and Exception Drug Status drugs.

3 Includes Mark-up on drug acquisition cost.

Figure 2 shows the Table 7 prescription volume by Pharmacologic – Therapeutic Classification.

Figure 2
Prescription Volume by Pharmacologic - Therapeutic Classification



Pharmacies

A total of 363 pharmacies held agreements with Drug Plan & Extended Benefits Branch on March 31, 1998. Of these, 69.1% were independent pharmacies, 21.8% were chain outlets, and 5.8% were co-operative.

The location of the pharmacies is shown on Table 8 and the type of pharmacy ownership is shown on Table 9.

Table 8

Pharmacies by Location

April 1997 - March 1998

Location of Pharmacy	Number of Pharmacies[1]
Single Pharmacy Communities	93
2 - 5 Pharmacy Communities	73
Communities with More Than 5 Pharmacies	
Estevan	6
Moose Jaw	14
North Battleford	8
Prince Albert	16
Regina	55
Saskatoon	63
Swift Current	6
Yorkton	8
Dispensing Doctors	8
Border Pharmacies	13
Total	363

1 Includes all pharmacies operating under agreement with the Prescription Drug Plan on March 31, 1998.

Table 9

Pharmacies by Type of Ownership

Type of Ownership	Number of Pharmacies[1]	Percent
Independent	251	69.1%
Chain [2]	79	21.8%
Co-operatives	21	5.8%
Dispensing Doctor	8	2.2%
Hospital Outpatient	4	1.1%
Total	363	100.0%

1 Includes all pharmacies operating under agreement with the Prescription Drug Plan on March 31, 1998.

2 Defined as common ownership of four or more stores.

Manufacturers

Drug Acquisition Cost by manufacturer is presented in Table 10.

Table 10
Drug Acquisition Cost by Manufacturer

April 1997 - March 1998

Manufacturer	Drug Material Acquistion Cost
3M Pharmaceuticals, 3M Canada	$ 44,673
Abbott Laboratories Ltd.	2,553,318
Albert Pharma Inc.	35,322
Alcon Canada Inc.	335,962
Allergan Pharmaceuticals	313,515
Altimed Pharmaceutical Co.	3,363,379
Amgen Canada Inc.	12,530
Apotex Inc.	4,844,904
Astra Pharma Inc.	3,219,834
Axcan Pharma	166,873
Baker Cummins Inc.	21,771
Bayer Inc. - Consumer Care Division	7,889
Bayer Inc. - Healthcare Division	2,321,759
Berlex Canada Inc.	548,165
Biovail Pharma	12,944
Boehringer Ingelheim (Canada) Ltd.	1,332,243
Boehringer Manheim Canada	486,025
Bristol Pharmaceutical Products - Bristol-Myers Squibb	287,614
Bristol-Myers Squibb Canada Inc.	3,748,094
Canderm Pharmacal Ltd.	9,921
Carter-Horner Inc.	23,112
CIBA Pharmaceuticals, Division of Ciba-Geigy Canada Ltd.	61,714
CIBA Vision	57,001
Cytex Pharmaceuticals Inc.	24,495
Dermik Laboratories Canada Inc.	38,070
Diagnostic Division, Bayer Corp.	471,032
Dioptic Laboratories, Division of Akorn Pharmaceuticals Can. Ltd.	15,257
Dominion Pharmacal	1,207,897
Draxis Health Inc.	110,493
Du Pont Pharma	1,995,662
Duchesnay Inc.	106,308
Eli Lilly Canada Inc.	2,911,072
Enz	169,615
Faulding (Canada) Inc.	274,177
Ferring Inc.	129,563

Manufacturer	Drug Material Acquistion Cost
Fournier Pharma Inc.	105,312
Frosst, Division of Merck Frosst Canada Inc.	6,410,922
Fujisawa Canada Inc.	24,441
Galderma Canada Inc.	93,314
Geigy Pharmaceuticals, Division of Ciba-Geigy Canada Ltd.	43,472
Genpharm Inc.	1,003,903
Glaxo Wellcome Inc.	6,357,158
Glenwood Laboratories Canada Ltd.	9,677
Hoechst Marion Roussel Canada Inc.	2,177,828
Hoffman-LaRoche Ltd.	3,099,285
ICN Canada Ltd.	266,022
Janssen-Ortho Inc.	4,847,160
Johnson and Johnson - Merck, Consumer Pharmaceuticals	7,027
Jouveinal Inc.	45,360
Kenral Inc.	1,108,577
Key Pharmaceuticals, Division of Schering Canada Inc.	648,254
Knoll Pharma Inc.	609,183
Lee-Adams Laboratories, Division of Pharmascience Inc.	6,276
Leo Laboratories Canada Ltd.	276,085
Lifescan Canada Ltd.	1,899,245
Linson Pharma Inc.	196,046
Lioh Inc.	12,144
Lundbeck Canada Inc.	216,034
McNeil Consumer Products	17,184
Medican Pharma Inc.	2,395,768
Medisense, Canada Inc.	779,584
Merck Sharp & Dohme Canada Ltd.	4,860,907
Novartis Consumer Health Canada Inc.	5,771
Novartis Pharma Canada Inc.	5,441,369
Novo Nordisk Canada Inc.	779,006
Novopharm Ltd.	3,784,138
Nu-Pharm Inc.	9,075,157
Organon Canada Ltd.	384,418
Organon Teknika	7,405
Ortho-McNeil Inc.	1,035,719
Parke-Davis Canada Inc.	2,800,336
Pentapharm Ltd.	1,131,827
Pfizer Canada Inc.	3,626,364
Pharmacia & Upjohn Inc.	887,347
Pharmascience Inc.	1,148,428
Princeton Pharmaceutical Products, Bristol-Myers Squibb	17,064
Procter and Gamble Pharm. Canada, Inc.	1,621,326

Manufacturer	Drug Material Acquistion Cost
Purdue Frederick Inc.	1,020,822
Reed & Carnrick, Block Drug Co.	27,832
Rhodiapharm	223,482
Rhone-Poulenc Rorer, Ethical Division	992,891
Roberts Pharmaceutical of Canada Inc.	225,960
Rougier Desbergers Inc.	20,386
Sabex Inc.	117,061
Sandoz Canada Inc.	330,486
Sanofi Winthrop Canada Inc.	466,522
Schein Pharmaceuticals Canada Inc.	170,359
Schering Canada Inc.	1,327,335
Searle Canada Inc.	2,268,210
Servier Canada Inc.	203,030
Smithkline Beecham Pharma Inc.	2,697,617
Solvay Pharma Inc.	619,263
Stanley Pharmaceuticals Ltd.	33,403
Stiefel Canada Inc.	138,517
Taro Pharmaceuticals Inc.	744,258
Technilab Inc.	212,903
Teva Marion Partners Canada	26,759
Ucyclyd Pharma	39,087
Warner Wellcome Consumer Health Products	24,780
Westwood Squibb Pharmaceuticals	105,791
Wyeth-Ayerst Inc.	4,614,882
Zeneca Pharma Inc.	2,145,444
Extemporaneous Preparations [1]	724,878
Others (each under $5000)	24,116
Total	$ 120,070,120

[1] Extemporaneous Preparations are compounded by the pharmacist.

1997-98 Utilization Trends

1. Cost to Beneficiaries

Trends from Table 11 information for the past four years shows that the number of active beneficiaries are declining while the number of prescriptions and total prescription cost is increasing.

	Active Beneficiaries	Number of Prescriptions	Total Cost of Prescriptions	Total Drug Plan Payment
1994-95	649,927	5,671,786	$148,076,423	$52,425,180
1995-96	633,333	5,798,090	$157,194,207	$59,492,033
1996-97	626,953	5,996,106	$162,165,923	$61,863,705
1997-98	620,258	6,261,167	$171,208,698	$65,199,190

Table 11 was prepared to highlight three factors that might contribute to the increased growth: number of prescriptions per beneficiary; average prescription cost; and cost of prescriptions per beneficiary.

In Table 11, the total cost of prescriptions per active beneficiary has grown an average of 11.2% between 1995-96 and 1997-98 for all beneficiaries. The range of increases, based on age, was 5.8% to 13.0%. Only the 0-4 age group showed a reduction in the total cost of prescriptions per active beneficiary. That reduction was 0.8%.

The reasons for the increased cost of prescriptions per beneficiary changed with age:

- For ages 5-44, the increase was a result of increased average prescription cost and the increased number of prescriptions per beneficiary.
- For ages over 44, the increase was mainly a result of increased number of prescriptions per beneficiary.

Table 11
Prescription Drug Utilization Trend by Age of Active Beneficiary
Information Source: Table 2

Age of Consumer	1995-96	1996-97	1997-98	% increase (decrease) 95-96 to 97-98
April 1- March 31				
Average Number of Prescriptions Per Active Beneficiary				
0 - 4	3.6	3.4	3.3	(8.3%)
5 - 14	3.1	3.1	3.2	3.2%
15 - 24	4.2	4.3	4.4	4.8%
25 - 34	5.0	5.1	5.3	6.0%
35 - 44	6.2	6.4	6.7	8.1%
45 - 54	9.9	10.1	10.5	6.1%
55 - 64	14.1	14.5	15.2	7.8%
65 - 74	18.2	18.9	19.7	8.2%
75 - 84	22.6	23.5	24.6	8.8%
85 and over	26.2	27.0	28.5	8.8%
Total	9.2	9.6	10.1	9.8%
Average Prescription Cost [1]				
0 - 4	$ 15.02	$ 15.66	$ 15.97	6.3%
5 - 14	21.72	21.97	22.56	3.9%
15 - 24	25.25	25.74	27.49	8.9%
25 - 34	27.29	27.61	28.61	4.8%
35 - 44	28.52	28.82	29.63	3.9%
45 - 54	28.74	28.51	28.72	(0.1%)
55 - 64	29.43	29.01	28.87	(1.9%)
65 - 74	29.13	28.94	28.95	(0.6%)
75 - 84	26.90	26.44	26.39	(1.9%)
85 and over	23.17	22.89	22.91	(1.1%)
Total	$ 27.11	$ 27.05	$ 27.34	0.9%
Total Cost of Prescriptions Per Active Beneficiary				
0 - 4	$ 53.49	$ 53.34	$ 53.07	(0.8%)
5 - 14	66.49	67.28	72.27	8.7%
15 - 24	106.73	110.02	120.60	13.0%
25 - 34	136.31	142.18	151.97	11.5%
35 - 44	176.42	183.60	197.23	11.8%
45 - 54	283.60	289.12	300.30	5.9%
55 - 64	414.31	421.58	438.48	5.8%
65 - 74	530.35	546.31	570.86	7.6%
75 - 84	608.23	622.76	649.79	6.8%
85 and over	607.43	618.24	653.94	7.7%
Total	$ 248.20	$ 258.66	$ 276.04	11.2%

1 Includes Drug Acquisition Cost, mark-up and dispensing fees paid to pharmcies.

2. Costs by Therapeutic Classification

Table 12 shows the eight highest cost therapeutic classes of drugs covered by the Drug Plan.

During the three-year period of 1995-96 to 1997-98, the total cost of all prescriptions increased in all classes except for Anti-Infectives and Gastrointestinal Drugs.

The total cost of the Anti-Infectives prescriptions declined as a result of a 11.6% decrease in the number of these prescriptions.

The total cost of Gastrointestinal Drugs prescriptions declined as a result of a 7.0% decrease in the average prescription cost.

Except for Anti-Infectives and Gastrointestinal Drugs, the 'total cost of all prescriptions' for each of the other classes increased in the range of 5.1% to 21.8% over the three-year period for the following reasons:

- The increase for Central Nervous System (CNS) drugs was due to a combination of a 0.8% increase in average prescription cost and a 10.6% increase in the number of prescriptions.

- The increase for Skin and Mucous Membrane Preparations was a result of the almost 11.0% increase in average prescription cost and a 9.7% increase in the number of prescriptions.

- The increase for the other five classes was mainly due to the number of prescriptions increasing from 6.0% to 15.7%.

Table 12
Prescription Trend by Pharmacologic - Therapeutic Classification

Pharmacologic - Therapeutic Class	1995-96	1996-97	1997-98	% increase (decrease) 95-96 to 97-98
April 1- March 31				
Total Cost of all Prescriptions				
Anti-Infectives	$ 13,225,758	$ 12,912,993	$ 12,460,217	(5.8%)
Central Nervous System Drugs	29,107,166	29,722,376	32,451,407	11.5%
Skin & Mucous Membrane Preparations	4,987,702	5,343,130	6,075,390	21.8%
Electrolytic, Caloric, and Water Balance	3,164,634	3,313,064	3,545,947	12.0%
Cardiovascular Drugs	45,146,984	46,659,267	49,864,211	10.4%
Gastrointestinal Drugs	14,052,831	14,181,517	13,841,533	(1.5%)
Hormones and Substitutes	20,140,387	21,031,978	21,285,682	5.7%
Autonomic Drugs	5,852,646	6,041,256	6,149,607	5.1%
Others	21,516,099	22,960,342	25,534,703	18.7%
Total	$ 157,194,207	$ 162,165,923	$ 171,208,698	8.9%
Number of Prescriptions				
Anti-Infectives	843,259	801,798	745,730	(11.6%)
Central Nervous System Drugs	1,119,573	1,166,942	1,238,508	10.6%
Skin & Mucous Membrane Preparations	215,472	222,725	236,470	9.7%
Electrolytic, Caloric, and Water Balance	328,858	352,144	380,588	15.7%
Cardiovascular Drugs	1,280,881	1,342,195	1,441,984	12.6%
Gastrointestinal Drugs	331,979	342,303	351,746	6.0%
Hormones and Substitutes	854,091	898,517	933,133	9.3%
Autonomic Drugs	230,983	240,017	246,781	6.8%
Others	592,994	629,465	686,227	15.7%
Total	5,798,090	5,996,106	6,261,167	8.0%
Average Prescription Cost				
Anti-Infectives	$ 15.68	$ 16.11	$ 16.71	6.5%
Central Nervous System Drugs	26.00	25.47	26.20	0.8%
Skin & Mucous Membrane Preparations	23.15	23.99	25.69	11.0%
Electrolytic, Caloric, and Water Balance	9.62	9.41	9.32	(3.2%)
Cardiovascular Drugs	35.25	34.76	34.58	(1.9%)
Gastrointestinal Drugs	42.33	41.43	39.35	(7.0%)
Hormones and Substitutes	23.58	23.41	22.81	(3.3%)
Autonomic Drugs	25.34	25.17	24.92	(1.7%)
Others	36.28	36.48	37.21	2.6%
Total	$ 27.11	$ 27.05	$ 27.34	0.9%

Table 13
Prescription Drug Plan Payments Summary

Statistical Tables

Payments on behalf of families (exempt from deductible program)		
Drug Material Acquisition Cost	$ 19,405,686	
Mark-up	2,183,854	
Dispensing Fee Subsidy	4,071,677	
Pharmacy Discounts	(2)	
Total Payments for families exempt from deductible		$ 25,661,215
Payments to or on behalf of families (deductible and Special Support program)		
Drug Material Acquisition Cost	$ 100,664,434	
Mark-up	11,620,744	
Dispensing Fees	32,689,152	
Pharmacy Discounts	(4,949)	
Total Approved Prescription Cost	$ 144,969,381	
Less: Deductible Credits	69,970,811	
	$ 74,998,570	
Less: Family Co-Payment	35,460,595	
Total Payments for families subject to deductible		$ 39,537,975
Total Prescription Drug Plan Payments [1]		$ 65,199,190
Manual Adjustments [2]		41,151
Net Payments by Revenue and Expenditure System		$ 65,240,341

1 Drug Plan payments refer to formulary drugs and exception status drugs. All Statistical Tables do not reflect manual adjustment expenditures.

2 Manual adjustments include year-end adjustments made in accordance with accounting policies and other adjustments.

Supplementary Health

BACKGROUND

- On April 1, 1966 the Saskatchewan Assistance Plan was instituted. Several categories of beneficiaries under the Medical Services Division were combined into one program with the basis of need becoming the criteria to determine eligibility.

- On September 1, 1968, coverage for refractions was moved to the Saskatchewan Medical Care Insurance.

- On September 1, 1975, payment responsibility of formulary drugs and of prosthetic and orthotic appliances for Social Assistance beneficiaries was taken over by the Saskatchewan Prescription Drug Plan and by the Saskatchewan Aids to Independent Living respectively.

- On July 1, 1981, program eligibility was expanded to include benefits for non-recipients of Social Assistance receiving level 2,3,and 4 Special Care Home or long term hospital care and where incomes are at or below the Saskatchewan Income Plan level.

- On May 1, 1984, responsibility for emergency medical transportation costs by road ambulance and Saskatchewan Government air ambulance for Supplementary Health beneficiaries was transferred from the Department of Social Services.

- On June 1, 1992, eye examinations were added to coverage for Supplementary Health beneficiaries over the age of 17, and for adults receiving the Family Income Plan and the Saskatchewan Income Plan supplements.

- On September 8, 1992, services of chiropractors became fully covered for Supplementary Health, Family Income Plan, and Saskatchewan Income Plan beneficiaries.

- On June 30, 1993, Supplementary Health began providing dental coverage for children in families that received the Family Income Plan supplement.

- On May 1, 1997, began providing all Supplementary Health Benefits for children in FIP families.

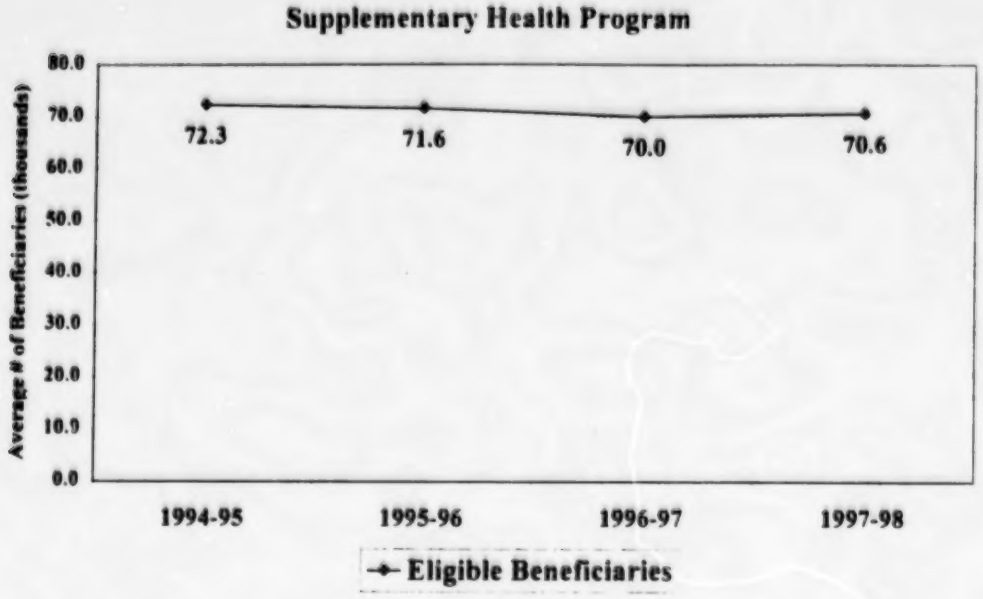
OBJECTIVES

To provide for payment of accounts for non-insured health services to people nominated for coverage by Saskatchewan Social Services.

ELIGIBLE BENEFICIARIES

The Supplementary Health program provides benefits for the following types of beneficiaries:

- Supplementary Health beneficiaries:
  - Saskatchewan Assistance Plan recipients nominated by Saskatchewan Social Services.
  - Government Wards
  - Inmates of correctional institutions.
  - Nominated persons 65 years and older who are in special care homes or hospitals and whose income is at or below the Saskatchewan Income Plan level.
- Family Income Plan recipients.
- Child Benefit Program recipients.
- Saskatchewan Income Plan recipients living in the community.



The above chart shows the number of persons receiving full Supplementary Health benefits. Adults receiving FIP or SIP income supplements receive only partial Supplementary Health benefits and are not included in the numbers above.

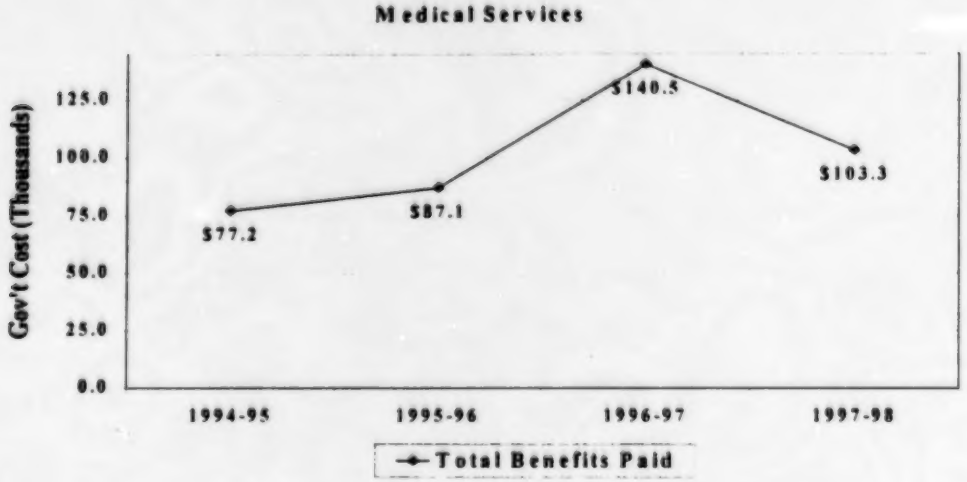
Table 14
Supplementary Health Program Payments

April 1997 - March 1998

Services	Sask. Assistance Plan	Government Wards	Provincial Correctional Institutions	Sask. Income Plan Recipients in Special Care Homes	Other Beneficiary Categories	Totals
Medical Examinations and Reports	$ 96,860	$ 5,846	$ 158	$ 33	$ 364	$ 103,261
Dental Services	4,660,478	178,021	124,541	26,951	249,760	5,239,751
Non-Formulary Drugs (Plan 3)	559,632	90,210	32,025	577,175	1,663	1,260,705
Medical Appliances and Supplies	717,366	41,723	4,262	142,201	6,521	912,073
Optical Services	1,315,418	43,346	50,328	20,290	170,072	1,599,454
Chiropractic Services	707,708	3,803	27,956	3,158	210,737	953,362
Ambulance	794,207	16,066	10,226	160,643	10,215	991,357
Totals: Supplementary Health Program	$ 8,851,669	$ 379,015	$ 249,496	$ 930,451	$ 649,332	$ 11,059,963

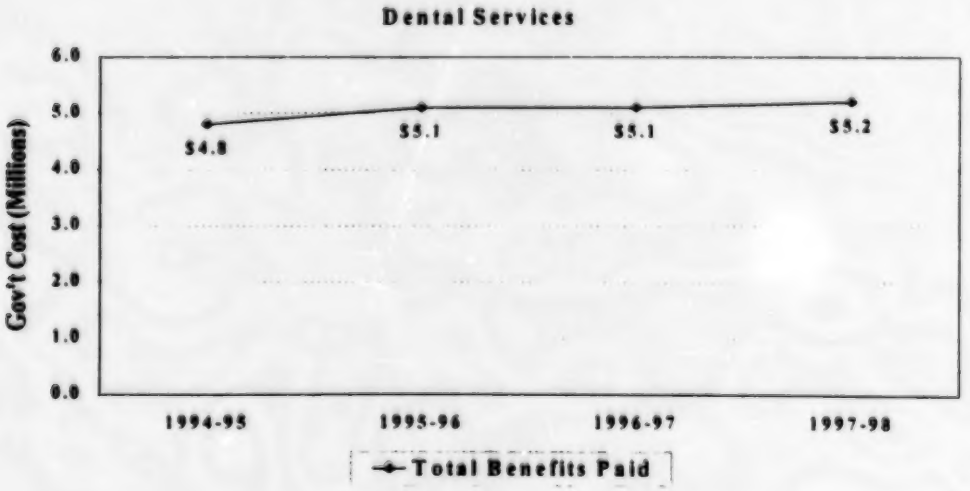
1. Medical Services

Supplementary Health pays the full cost for non-insured third party medical examinations and reports requested by Saskatchewan Social Services. These examinations are to determine the level of required nursing care, rehabilitation potential and employability.



2. Dental Services

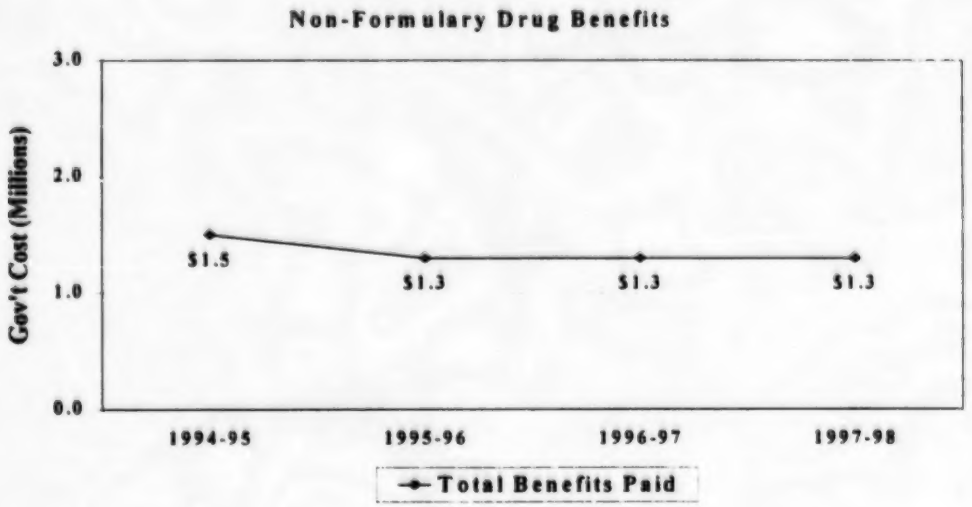
Coverage includes preventive, restorative, exodontic, and prosthetic dentistry for eligible beneficiaries.



3. Non-Formulary Drug Benefits

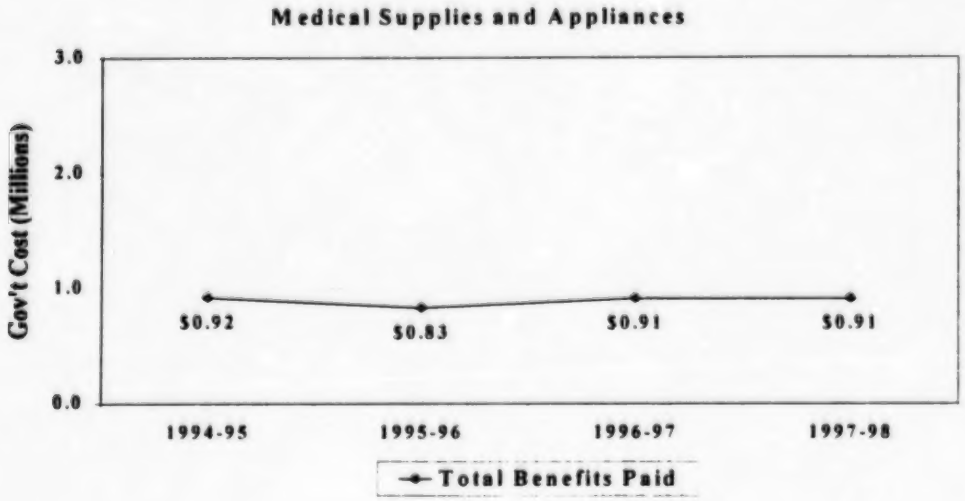
Supplementary Health provides certain non-Formulary drugs without charge for Plan Three residents in nursing and approved community homes, government wards and provincial correctional centre inmates. Formulary and non-Formulary drug benefits for the different levels of Social Assistance Plan coverage are outlined earlier in the report on page 9.

Coverage may also be granted in unusual circumstances for Plan One and Two beneficiaries where drug requirements are not met by Formulary drugs or products approved under Exception Drug Status.



4. Medical Supplies and Appliances

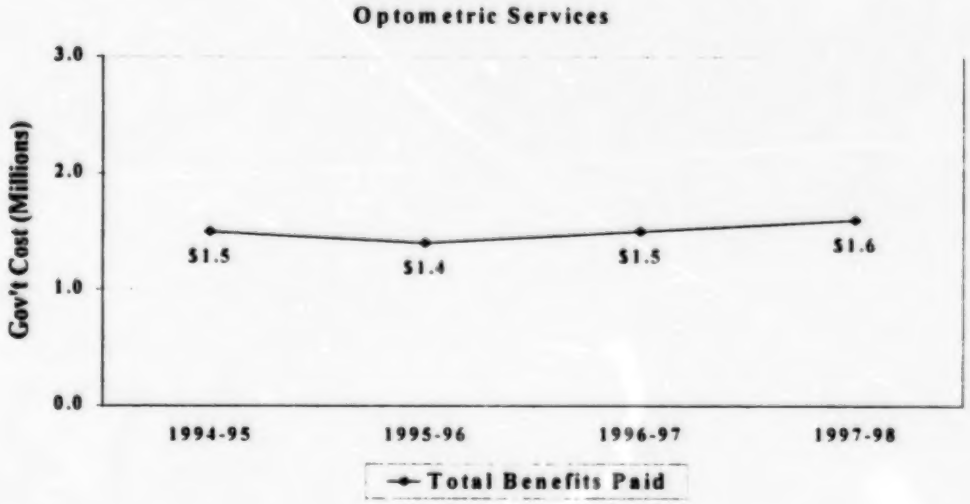
Supplementary Health covers the full cost of most medical supplies and appliances prescribed by a physician for Supplementary Health beneficiaries.



5. Optometric Services

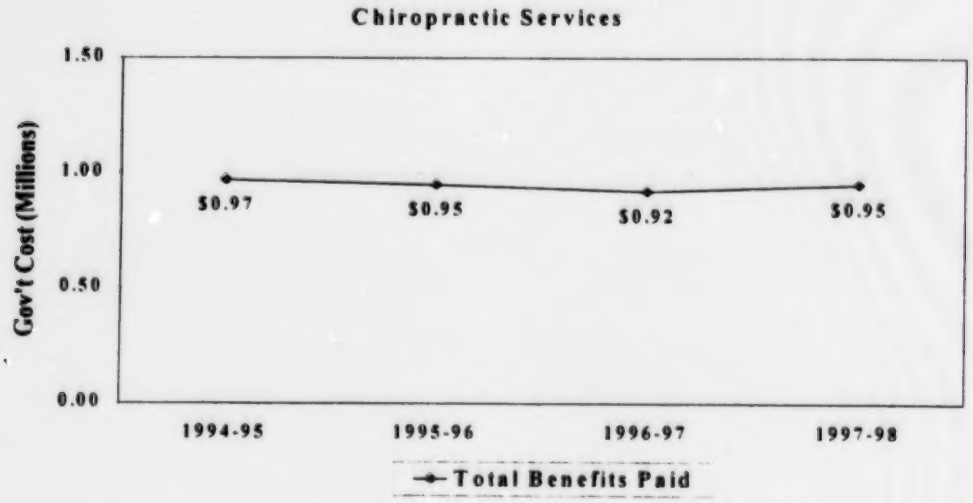
Supplementary Health covers eyeglasses for Supplementary Health beneficiaries and children of Family Income Plan recipients whether provided by an optometrist or ophthalmic dispensary. Payment is made on the basis of laboratory costs plus a dispensing fee. Fees are paid according to negotiated payment schedules. There is an upper limit on the amount paid for eyeglass frames.

The cost of eye examinations is covered for all Supplementary Health beneficiaries age 18 and over. Children are covered on a universal basis by the Medical Services Plan.



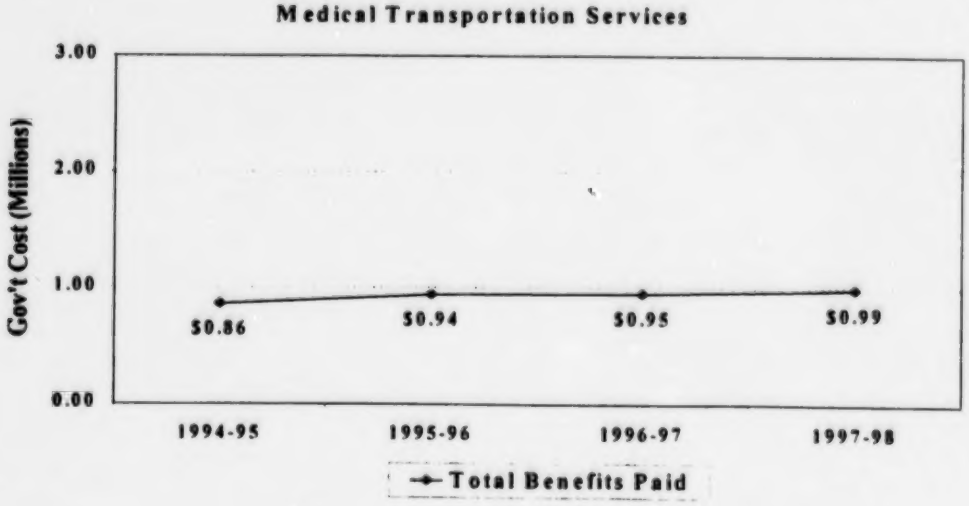
6. Chiropractic Services

The services of chiropractors are fully covered for Supplementary Health, Family Income Plan and Saskatchewan Income Plan beneficiaries.



7. Medical Transportation

Benefits include coverage for emergency medical transportation by road. The Northern Medivac Program, and long-distance medically related transportation for social assistance recipients living in the North, is covered by the Northern Health Service Branch.



Saskatchewan Aids to Independent Living (SAIL)

BACKGROUND

- SAIL began providing benefits on April 1, 1975, providing eligible residents with prosthetic/orthotic devices.
- On August 1, 1975, SAIL benefits expanded to providing equipment loans and equipment repairs for all residents of the province.
- On April 1, 1976, SAIL took over responsibility for: the Paraplegia Program which covers the cost of appliances recommended by the attending physician; the Cystic Fibrosis Program which provides drugs and special appliances for certain beneficiaries; and the Chronic End Stage Renal Disease Program which provides assistance with the cost of necessary medications for certain beneficiaries.
- In 1979-80, the Ostomy and Home Hemophilia programs were added.
- In 1984-85, coverage expanded to include aids and services required by the blind residents in the province.
- In June 1987, the responsibility for the acquisition, distribution and repair of Special Needs Equipment (eg. wheelchairs, patient lifts, etc.) was transferred to the Saskatchewan Abilities Council. SAIL continued to fund the full cost of the program.
- In August 1987, took over administration of the Home Oxygen Program from the Drug Plan.
- In September 1987, transferred responsibility for the acquisition, distribution and repair of equipment required by the blind to the Canadian National Institute for the Blind (CNIB). SAIL continues to provide funding to CNIB for delivery of these services.

ELIGIBLE BENEFICIARIES

People with long term disabilities or illnesses which leave them unable to function fully may receive specialized benefits through the SAIL program to help them achieve more independent and active lifestyles.

All Saskatchewan residents, with certain exceptions, are eligible for the Universal Benefits of Orthopaedic Services, Special Needs Equipment, and Home Respiratory Services.

Beneficiaries with particular disabling conditions are eligible under the various Special Benefit Programs; Paraplegia, Cystic Fibrosis, End Stage Renal Disease, Ostomy, and Aids to the Blind.

PROGRAM OBJECTIVES

SAIL has been established to provide aids and services to the physcially disabled residents of Saskatchewan.

Table 15
Caseloads and SAIL Payments

	1996-97		1997-98	
	Caseload	Expenditures	Caseload	Expenditures
Orthopaedic Services	n.a.	$ 1,496,039	n.a.	$ 1,612,497
Special Needs Equipment	n.a.	2,106,111	n.a.	2,729,470
Home Oxygen	1,751	7,462,826	1,786	6,493,717
Respiratory Equipment	n.a.	399,994	n.a.	489,074
Paraplegia	1,653	2,137,878	1,710	2,273,005
Cystic Fibrosis	110	150,990	108	184,988
Renal Disease	484	1,403,635	492	1,832,881
Ostomy	1,726	471,772	1,669	512,844
Aids to the Blind	1,714	207,926	1,479	242,054
Total		**$ 15,837,171**		**$ 16,370,530**

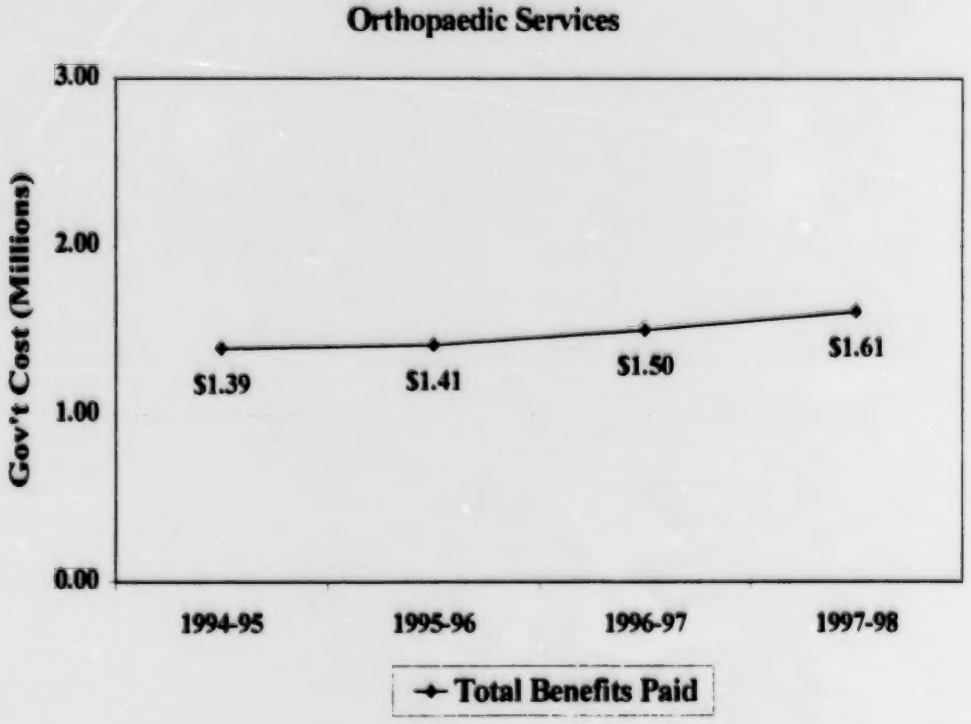
1. Orthopaedic Services

Prosthetic Appliances – Artificial limbs and accessories are supplied, fitted, adjusted and repaired without charge.

Orthotic Appliances – Higher-cost back braces, knee braces and splints are supplied, fitted, adjusted, and repaired without charge.

Specialized and adaptive seating, and custom-built footwear are also provided by SAIL. All of the above services are supplied by the orthotics and prosthetics departments of the Wascana Rehabilitation Centre in Regina and the Saskatchewan Abilities Council in Saskatoon.

Custom pressure or burn garments are supplied and fitted without charge. SAIL arranges for the supplier to provide garments.



2. Special Needs Equipment

Mobility Aids – Wheelchairs, walkers, and specialized crutches are loaned, maintained and repaired without charge. Eligibility is based on assessed long-term need.

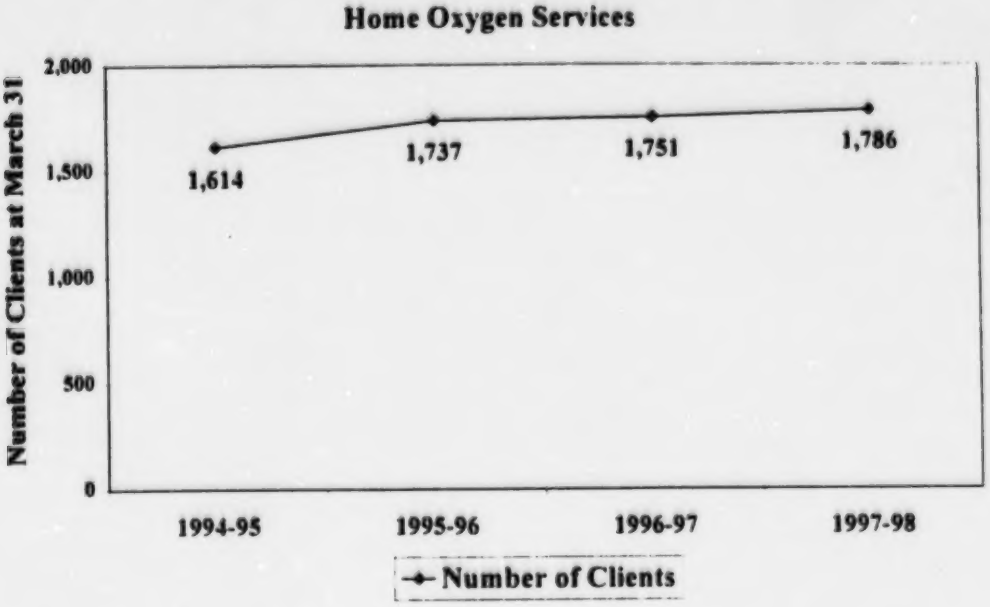
Environmental Aids – Higher-cost equipment such as hospital beds and accessories, transfer assists and commodes are loaned, maintained and repaired without charge. Eligibility is based on assessed long-term need.

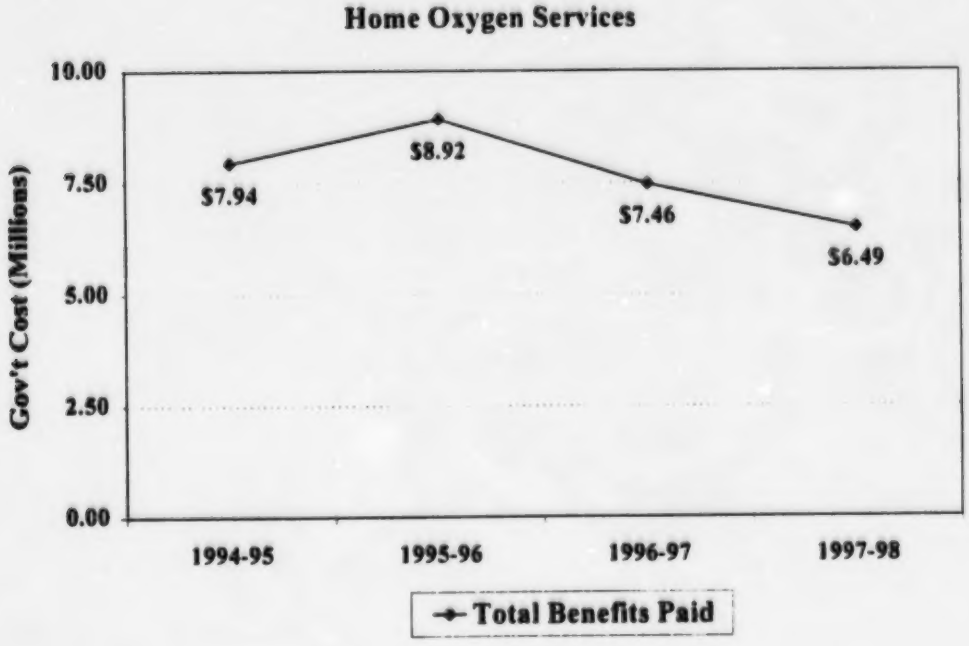
The Special Needs Equipment Program is operated by the Saskatchewan Abilities Council under contract with SAIL. Equipment depots are located in Prince Albert, Regina, Saskatoon, Swift Current and Yorkton.

3. Home Respiratory Services

Home Oxygen Therapy – Home oxygen and related equipment are benefits under SAIL for Saskatchewan residents who meet the medical criteria for home oxygen therapy. The systems are supplied by private medical oxygen supply firms under contract with SAIL. SAIL covers the full cost of the basic systems.

Respiratory Equipment – SAIL shares the purchase cost of aerosol therapy compressors for eligible beneficiaries, who are responsible for maintenance and repairs. Home respiratory equipment such as ventilators, CPAP units, suction pumps, percussors, postural drainage boards and tracheostomy humidification packs are loaned, maintained and repaired without charge. Eligibility is based on specific medical criteria.


Home Oxygen Services
Number of Clients at March 31
2,000
1,500
1,000
500
0
1,614
1,737
1,751
1,786
1994-95
1995-96
1996-97
1997-98
Number of Clients


Home Oxygen Services
Gov't Cost (Millions)
10.00
7.50
5.00
2.50
0.00
$7.94
$8.92
$7.46
$6.49
1994-95
1995-96
1996-97
1997-98
Total Benefits Paid

4. Special Benefit Programs

In addition to regular SAIL Program benefits, extended coverage is provided to beneficiaries with particular disabling conditions.

Paraplegia Program – Drugs listed in the Saskatchewan Formulary and certain drugs approved for coverage under the Drug Plan Exception Drug Status are available at no charge.

Incontinence management and dressing supplies for chronic conditions are available without charge.

Specialized rehabilitation equipment is loaned, maintained and repaired without charge. Financial assistance for vehicle hand controls, ramps and wheelchair lifts is also provided.

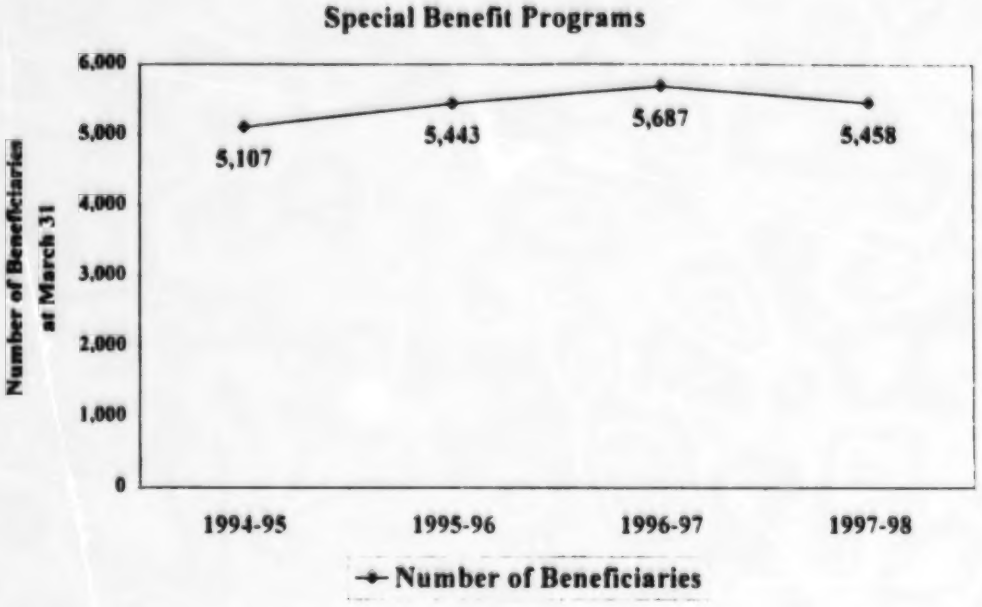
Cystic Fibrosis Program – Drugs listed in the Saskatchewan Formulary and certain drugs approved for coverage under the Drug Plan Exception Drug Status are available at no charge. In addition, food supplements and digestants are covered.

End Stage Renal Disease Program – Drugs listed in the Saskatchewan Formulary and certain drugs approved for coverage under the Drug Plan Exception Drug Status are available at no charge.

Ostomy Program – SAIL provides reimbursement of half the cost of ostomy supplies, such as appliances, adhesives and adhesive removers, to eligible persons referred by enterostomal therapists.

Aids to the Blind Program – Financial assistance is provided for aids such as braille watches, talking calculators and low-vision eyewear. Braillers, tape players and recorders are loaned, maintained and repaired without charge. Magnifiers and telescopes are supplied without charge.

Low vision eyewear is provided through optometric/ophthalmic dispensers. Equipment services are provided by the Canadian National Institute for the Blind (CNIB) under contract with SAIL.


Special Benefit Programs
Number of Beneficiaries at March 31
6,000
5,000
4,000
3,000
2,000
1,000
0
5,107
5,443
5,687
5,458
1994-95
1995-96
1996-97
1997-98
Number of Beneficiaries

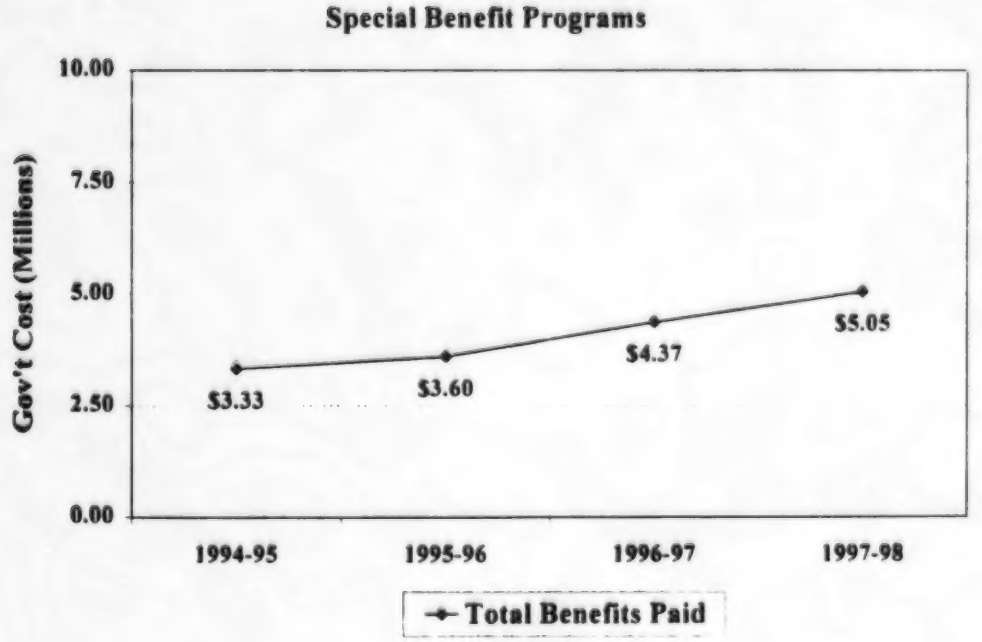

Special Benefit Programs
Gov't Cost (Millions)
10.00
7.50
5.00
2.50
0.00
$3.33
$3.60
$4.37
$5.05
1994-95
1995-96
1996-97
1997-98
Total Benefits Paid

Table 16
Special Needs Equipment Program

April 1997 - March 1998

	Loans		Returns		Repairs	
	1996-97	1997-98	1996-97	1997-98	1996-97	1997-98
Wheelchairs						
- Manual	4,252	4,369	4,243	4,404	1,315	1,462
- Power (electric)	83	103	67	96	444	454
Other Aids	16,083	21,759	11,947	17,343	291	73

Table 17
Orthopaedic Services

	Issues		Repairs	
	1996-97	1997-98	1996-97	1997-98
Prosthetics	214	162	1,167	1,169
Orthotics	2,897	2,959	1,365	1,399
Footwear (braced)	101	124	86	100
Adaptive and Specialized Seating for Wheelchairs	625	953	340	332